

Knowledge is Power?

On Management Accountants and Their Relationship
with Politicians in the Municipality of Stockholm

Jessica Dahlqvist

Ann Vilhelmsson

Degree Thesis in Business Administration
Autumn 2013
Supervisors: Roland Almqvist and Andreas Sundström

School of Business



Acknowledgements

First and foremost we wish to thank all respondents who dedicated their valuable time by being interviewed for this thesis. Without your participation this study would not have been possible to carry out. We also wish to show our appreciation to our supervisors, Roland Almqvist and Andreas Sundström, for their support and guidance. Last, but not least, we wish to thank each other for all the hard work, laughter and new insights this thesis has resulted in.



Ann Vilhelmsson



Jessica Dahlqvist

January 2014

Abstract

Title: Knowledge is power? On management accountants and their relationship with politicians in the municipality of Stockholm.

Background: In the public sector, politicians have the ultimate-decision making but in order to make informed decisions, they are relying on the administration to conduct proposals. These are mainly conducted by management accountants, who therefore have an initial role in the governing process. As there has been a role change of management accountants in the private sector, their role in the governing process is topical to examine.

Research Question: What is the role of the management accountant in the relationship between management accountants and politicians within the governing process?

Aim: To clarify the involvement from management accountants within what Svara (1985) refers to as the Policy function of the governing process.

Method: A total of fourteen semi-structured interviews were conducted in the municipality of Stockholm; eight with management accountants, two with financial managers and four with politicians.

Conclusion: The management accountants have a high level of involvement in policy processes. By acting as hybrid accountants, the management accountants through their business knowledge are able to influence the decisions within the governing process. This implies that the area of administration influencing political decisions is larger than solely referring to chief administrators.

Key Words: Management Accountant, Governing Process, Public Administration

Table of Contents

1. Introductory Chapter	1
1.1 Introduction	1
1.2 Problem Background.....	2
1.3 Problem Formulation.....	4
1.4 Aim.....	5
1.5 A Study at the Municipal Level	6
1.6 Thesis Outline.....	6
2. Literature Review.....	7
2.1 Literature Review Structure	7
2.2 From Bean-Counters to Business Partners – Private Sector	7
2.3 Management Accountants within the Public Sector.....	9
2.4 The Relationship between Administrators and Politicians.....	10
2.5 Theoretical Framework	12
3. Research Approach.....	16
3.1 Qualitative Research Approach.....	16
3.2 Collection of Empirical Data.....	17
3.2.1 A Case Study - The Municipality of Stockholm	17
3.2.2 Semi-Structured Interviews.....	18
3.2.3 From Interviewing to Coding.....	20
3.2.4 Document Study	22
3.3 Source Criticism Issues	22
3.3.1 Interviewing as a Technique.....	22
3.3.2 Enhancing Credibility of the Study	23
3.4 Research Ethics Perspective	24

4. Empirical Findings.....	25
4.1 The Case Municipality	25
4.1.1 The City Executive Office and the City Executive Board	26
4.1.2 The Specialist Committee and the Specialist Committee's Board	26
4.1.3 The District Council and the District Council's Board.....	26
4.2 Duties of the Management Accountant	27
4.2.1 Background and Main Duties.....	27
4.2.2 The Budget Process	28
4.2.3 Investigating Proposals.....	30
4.3 Impact on Strategic Decisions	32
4.3.1 The Budget Proposal	32
4.3.2 Investigations as a Basis for Decisions	34
4.4 Interaction between Management Accountants and Politicians.....	37
5. Analysis of Empirical Findings	39
5.1 Analysis Structure	39
5.2 The Relationship between Management Accountants and Politicians.....	39
5.3 The Role of the Management Accountant.....	40
5.4 Influence within the Policy Function	42
5.5 Illustrating the Policy Function	43
6. Conclusion.....	45
6.1 Further Research.....	47
7. References	49
Appendix I: Dictionary and Abbreviations	53
Appendix II: The Example of “Central Fee Handling in the City”	54
Appendix III: The Municipality of Stockholm.....	56
Appendix IV: Document Study Reference List	57
Appendix V: Interview Questions Management Accountants	58

Appendix VI: Interview Questions Financial Managers 60
Appendix VII: Interview Questions Politicians 61

Figures and Tables

Figure 1. Functions of the Governing Process 12
Figure 2. The Policy Function 15
Figure 3. Organizational Structure in the Municipality of Stockholm 25
Figure 4. The Relationship between Management Accountants and Politicians 43
Figure 5. The Decision-Making Process in 8 Steps 54
Figure 6. The Full Organizational Structure of the Municipality of Stockholm 56

Table 1. Distribution of Interviews 19
Table 2. Interview Themes 20

1. Introductory Chapter

1.1 Introduction

The initial interest for conducting our study is the role change of management accountants¹ within the private sector (Granlund & Lukka, 1997, 1998). Management accountants have developed from solely being bean-counters to rather being business partners, expected to be taking part in the decision-making process and having a wider knowledge of the business (Granlund & Lukka, 1997, 1998). Although the public sector is less examined, a similar trend has been noted (Paulsson, 2012). The governing process within the private and public sector differ in terms of politicians being the end link and thus formally are the ones taking the ultimate decision (Frenckner, 1989). However, discussions regarding who is possessing power over decisions have been debated in academia, where administrators² [tjänstemän³] have been seen as having influence in this process (Brunsson, 1989; Högberg, 2007). Early studies argue for a strict separation (dichotomy) between administrators and politicians (Wilson, 1887; Weber, 1922), which in later years has received criticism and rather a complementary relationship between them is argued to exist (Svara, 1985, 1998, 2001, 2006). The dichotomy-duality model explains this relationship (Svara, 1985), and by looking specifically at the Policy function within the governing process, our focus is turned towards management accountants and politicians, as it is in this function where management accountants are most active. While the relationship between chief administrators⁴ and politicians has been examined before (Högberg, 2007; Liguori et al., 2009), it is topical to examine the relationship between management accountants and politicians as the role of the management accountants has increased according to previous research (see for example Granlund & Lukka, 1998; Järvenpää, 2007).

¹ In accordance with previous research (see for example Järvinen, 2009; Paulsson, 2012), we will in this thesis refer to controllers as management accountants.

² Administrators refer to the officials/civil servants that work in the public sector. They are employed by the state/county/municipality and receive a salary. They do not have any political agenda as they do not work for any party. Administrators include chief administrators, management accountants and other civil servants in the public sector.

³ As this thesis has been conducted on a Swedish municipality, we will include the Swedish translation to some specific words where we wish to eliminate misunderstandings of the context. Please refer to Appendix I for a full dictionary.

⁴ Chief administrators refer to managers within the administration, who possess the decision-making authority within the administration. However, the ultimate-decision making authority is possessed by politicians.

1.2 Problem Background

Constitutions often declare that the public organizations are controlled by politicians, which are elected by the public (Brunsson, 1989). The public organizations are illustrated as instruments for actualizing the will of the people (Brunsson, 1989). This is also the situation in Sweden where, every four years, politicians are democratically elected to represent the public on a national, county and municipal level. However, in reality the execution of the democratic notion is more complex since there exists an administrative part being the ones implementing the decisions made by politicians. The Swedish municipality law determines the politicians as the deciding authority, but in doing so only regulates the political level, and hence fails to regulate the allocation of responsibilities between administrators and politicians (SKL, 2012). The allocation of responsibilities then becomes a question of collaboration within the public organization (SKL, 2012). The democratic view is thus that the elected politicians should enact the will of the people and that the administrators should implement the decisions made by politicians. This is in line with early theoretical models of public administration, which proposed a dichotomy relationship between administrators and politicians (Wilson, 1887; Weber, 1922). The dichotomy model has however received extensive criticism, where newer models rather show an interactive relationship between administrators and politicians, and chief administrators are argued to be highly involved in the governing process (Svara, 1985, 1998, 2001, 2006; Brunsson, 1989; Hansen & Ejersbo, 2002; Liguori et al., 2009).

Since the administrators not only implement the decisions made by politicians, but also conduct proposals for political decision-making, they seem to possess more power than they are formally given. Brunsson (1989) states that politicians have very limited power in the decision-making process, since it is the administrators that possess a high level of knowledge regarding the matters being proposed and the amount of time they spend on the proposals. He also emphasizes the ability for administrators to steer the proposals in the direction they believe is the best. The same view is proposed by Högberg (2007) who states that it seems like politicians to a larger extent have started to rely on, and submit to, proposals conducted by the administrators. Therefore the administrators have received a larger influence, since they are the ones managing the political proposals (Högberg, 2007). The Latin proverb "*Scientia potentia est*", meaning "*Knowledge is power*", could demonstrate this, where the administrators through

their business knowledge regarding matters proposed to politicians gain influence, which can be expressed in terms of power.

The situation with administrators having a large influence over the political sphere can be seen as a democratic issue since it is the people, through the elected politicians, that should determine the outcome within the public organizations. Thus, a heavy influence from the administrative side does not reflect the democratic order. However, as the politicians wish to make informed decisions with the best possible solution, it would be strange if they did not listen to the ones they have ordered to examine the underlying factors of the decision. Hence, there is an extensive complexity to the matter of the relationship, and allocation of responsibilities, between administrators and politicians. The problem culminates in the question of how much influence the administrative part should have in regards to politicians being able to make informed decisions, and while at the same time preserving the democratic order.

Proposals for political decision-making conducted by the administration are mainly prepared by management accountants. Within the private sector, the role of management accountants has during recent years gone through a change from being bean-counters to acting as business partners where the former refers to tasks such as information collecting (Järvenpää, 2007) and producing financial reports (Paulsson, 2012). The latter is rather seen as someone giving advice to management on decision-making and is expected to have wide business knowledge (Järvenpää, 2007). This new role of the management accountants is not verified by extensive research within the public sector, although it appears to exist similarities (Paulsson, 2012). As the management accountants are the ones conducting proposals for political decision-making, they may have the possibility to influence political decisions with their proposals.

1.3 Problem Formulation

During recent years there has been extensive research within the private sector focusing on the changing role of management accountants (see for example Granlund & Lukka, 1997, 1998; Burns & Baldvinsdottir, 2005; Järvenpää, 2007; Zoni & Merchant, 2007; De Loo, Verstegen & Swagerman, 2011). It is argued that this developed role brings significant influence over the actions in the company through social relationships and competence (Lindvall, 2009), which make studying management accountants highly topical. Management accountants' role within the private sector has been examined to a large extent, whereas the public sector has not received as much attention. It is important to note that there are differences between the private and public sector. In the private sector, strategic decisions are taken by management where, as previously mentioned, management accountants are communicating with management and are able to influence the decisions taken. Hence, there exists a direct relationship between the management accountant and the decision-maker. However, the governing process within the public sector is more complicated, since the last call in the strategic decision-making process is ultimately made by democratically elected politicians. As this is an additional level above management, the relationship between the management accountant and the decision-maker is different from the private sector. To the best of our knowledge it constitutes as an unexplored area, previous research has rather tended to focus on the relationship between chief administrators and politicians (see for example Feldman & Khademian, 2002; Högberg, 2007; Liguori et al., 2009; Demir & Reddick, 2012).

Although formally it is the politicians that take the ultimate decisions and administrators are to implement those decisions (Frenckner, 1989), the relationship between administrators and politicians is not as straight-forward as strict dichotomy proposes. Instead, it is a complex relationship where the politicians make decisions based on work conducted by administrators. Previous research focusing on chief administrators have found them to be able to influence the decisions taken (Högberg, 2007; Liguori et al., 2009). Svara (1985) developed a dichotomy-duality model describing the governing process within the public sector, showing high duality between administrators and politicians within what Svara (1985) terms the Policy function. The Policy function refers to operationalization of goals and to policy decisions, for example how to implement services and spend government revenues. Incorporating management accountants

into the dichotomy-duality model, the Policy function is the field where they are active, with for instance conducting policy proposals. Since the management accountant's role has increased and there exists a duality relationship between administrators and politicians within the Policy function, this further serve as arguments for examining the relationship between management accountants and politicians. The management accountants have a special role within the municipality in making the proposals for political decision-making. Thus, it is of interest to study their role within the relationship with politicians as they therefore constitute as an initial part in the governing process.

Hence, our research question is:

- *What is the role of the management accountant in the relationship between management accountants and politicians within the governing process?*

1.4 Aim

The aim of this study is to clarify the involvement from management accountants within what Svava (1985) refers to as the Policy function of the governing process. Through clarifying this, the relationship between management accountants and politicians and which role the management accountant has in this relationship, are derived. Typically the governing process has been studied through focusing on the interaction between politicians and chief administrators (see for example Högberg, 2007). By studying the role of the management accountant in the relationship to politicians, there is a change of focus. Hence, this study contributes to the existing literature on both public administration and the role of the management accountant, by developing an understanding of what role administrators on lower levels have in the governing process.

1.5 A Study at the Municipal Level

The study is limited to the municipality of Stockholm, and more specifically the City Executive Office [stadsledningskontoret], one Specialist Committee [fackförvaltning] and one District Council [stadsdelsförvaltning]. Also the respective boards [nämnder] of the chosen divisions are included in the study. As each of these divisions have a political board, this is where interaction between administrators and politicians is to be found. It is in this interaction Svara (1985) argues that policy making takes place, which constitutes as the base for the chosen limitation.

1.6 Thesis Outline

The remaining part of this thesis is outlined as follows: in the next section the relevant literature for our study is presented, starting off by reviewing the management accountant's role both in the private and public sector. Thereafter the relationship between administrators and politicians is discussed, which constitutes as a base for arguing towards the chosen theoretical framework, namely the dichotomy-duality model.

Following the literature review, our research approach is described, including the considerations concerning the philosophy of science and the chosen methodology for collecting empirical data. In this section we also discuss source criticism issues related to our study. The fourth chapter of this thesis consists of an outline of the empirical findings, and these results are then analyzed through the dichotomy-duality model and previous research in section number five. In the final section we present our conclusions and some suggestions for further research.

2. Literature Review

2.1 Literature Review Structure

In this section we review previous research made on the role of management accountants, both in the private and public sector, and also present the research examining the relationship between administrators and politicians. At the end of this section, we introduce our theoretical framework, building on Svava's (1985) dichotomy-duality model, with which we interpret our empirical results.

2.2 From Bean-Counters to Business Partners – Private Sector

There has been extensive research conducted addressing the changing role of the management accountant within the private sector (see for example Granlund & Lukka, 1998; Burns & Baldvinsdottir, 2005; Byrne & Pierce, 2007; Järvenpää, 2007; Goretzki, Strauss & Weber, 2013). By analyzing the different activities and responsibilities of management accountants, it is argued that their role has changed from being bean-counters to becoming business partners (Granlund & Lukka, 1998; Järvenpää, 2007; Zoni & Merchant, 2007; De Loo et al., 2011; Goretzki et al., 2013). This is supported by evidence from practice, where management accountants are found to spend less time on number crunching, and have rather moved towards being involved in the decision making process (Russel, Siegel & Kulesza, 1999; Corson & Miyagawa, 2012). A bean-counter has traditionally been seen as someone focusing on the past, where information collecting (Granlund & Lukka, 1998), scorekeeping and corporate policing have been the main tasks (Burns & Baldvinsdottir, 2005). When becoming business partners an emphasis is put towards the future; the management accountant is considered as a part of the management team (Granlund & Lukka, 1998; Järvenpää, 2007; Zoni & Merchant, 2007), giving advice to management on strategic and operating decisions and is expected to have wide business knowledge (Järvenpää, 2007; Zoni & Merchant, 2007).

Although there appears to be a clear separation between a bean-counter and a business partner, some argue that the new role of the management accountant rather should be addressed as a hybrid accountant (Burns & Baldvinsdottir, 2005; De Loo et al., 2011). According to De Loo et

al. (2011) both the responsibilities of the bean-counter and the business partner are found to be a part of the management accountant's daily work. By comparing two survey studies on the management accountant market in the Netherlands, De Loo et al. (2011) found that two types of management accountants had emerged; one who is putting a larger effort into reporting and one who is focusing on maintaining control systems. However, both groups had common characteristics of risk management and internal analysis, and thus no clear separation between the two could be made (De Loo et al., 2011). In their case study on a UK manufacturing firm, Burns and Baldvinsdottir (2005) also propose hybrid accountants have developed, where they are regarded to as being "experts of information" (p. 740). As expressed by an operating manager, the management accountants were pushed towards becoming "closer to the business, rather than them just being bean-counters" (Burns & Baldvinsdottir, 2005, p. 742), showing the dual responsibilities of the hybrid accountant. Both Byrne and Pierce (2007) and De Loo et al. (2011) agree upon the dual responsibilities and further argue that personal characteristics of the management accountant may affect the responsibilities. Personal qualities, such as age and years of experience, and technical skills are highlighted among others (De Loo et al., 2011).

In previous research on management accountants, a clear focus has been towards explaining why the changing role of the management accountants has occurred (see for example Granlund & Lukka, 1998; Burns & Baldvinsdottir, 2005; Byrne & Pierce, 2007; Järvenpää, 2007; De Loo et al., 2011; Goretzki et al., 2013). De Loo et al. (2011) stress that the transformation in the business environment and the overall society gave rise to this change, giving the examples of developments in laws and regulations, such as the Sarbanes-Oxley Act where external reporting rules have been tightened. This is in line with the findings of Granlund and Lukka (1998), where internationalization and decentralization of Finnish companies were seen as being key drivers for the business-oriented mind needed by management accountants. Decentralization is also highlighted by Järvenpää (2007), in the sense that management accountants were moved out in the organization and thus working closer to line managers. This is supported by Burns and Baldvinsdottir (2005), who argue that a closer relationship between management accountants and management may carve out the new role.

2.3 Management Accountants within the Public Sector

As our focus is on management accountants in the public sector, it is vital to explore the academia in this field. The private sector in regards to management accountants has been examined to a large extent, while the research within the public sector is more scant. The private and public sector differ in several areas, such as for example the financial objectives (Frenckner, 1989) and the governing process where the public sector has an additional decision-making level in form of politicians above management (Frenckner, 1989; Liguori et al., 2009). Hence, to apply what is known on management accountants in the private sector on the public sector may not always be appropriate (Frenckner, 1989). However, an increased role of management accountants in the public sector has been called for (Lapsley & Oldfield, 1999) and it has been found that similar trends to that of the private sector has taken place in the public sector as well (Paulsson, 2012).

Research has been conducted at the central government level, where Paulsson (2012) examined the role of the management accountant in a New Public Management (NPM) context within the Social Insurance Agency (SIA) in Sweden. Paulsson (2012) argues that the NPM reforms such as performance management and decentralization have shaped the new role of the management accountant. The management accountants in SIA were found to be, at least to a certain degree, involved in the decision-making process with their chief administrators, and “very influential since they [management accountants] select the information that is used in the decision making processes” (Paulsson, 2012, p. 390). The NPM reform has been further investigated by Järvinen (2009), who by studying the occupational identity of management accountants in the Finnish public health care found a role change as well: “the management accountants [...] seemed to believe that their relative position had changed over time” (p. 1201) and “[...] they modelled themselves on the business world” (p. 1201).

A survey on financial administrators (here all kind of financial administrators were included, such as for example management accountants and finance managers), in Swedish counties and municipalities conducted by Ramberg (2000), showed that the financial administrators found that their responsibilities had increased. In a follow-up study, Hellström and Ramberg (2007) found that the financial administrators to a larger extent spend time on supporting chief

administrators. Thus, it may be argued that also the role of management accountants within the public sector has increased, which constitutes as a base and prerequisite when examining the relationship between management accountants and politicians.

In the public sector, as previously mentioned, it is the politicians that have the final say. Hence, in the next section the existing research on the relationship between administrators and politicians is examined and our theoretical framework is presented.

2.4 The Relationship between Administrators and Politicians

In order to understand the governing process in the public sector, it is crucial to understand the relationship between politicians and administrators (Hansen & Ejersbo, 2002). The relationship has been highly debated in academia, with a focus on whether or not there exists a separation between them (Hansen & Ejersbo, 2002). In the public administration literature the relationship first became an important issue with Wilson's essay (1887), where he distinguishes between the field of administration [förvaltning] and the field of politics. Wilson (1887) focuses on the fact that administration should not be interfered by politics. He states that "administrative questions are not political questions" and that "administration lies outside the proper sphere of politics" (Wilson, 1887, p. 18), thus he tries to protect the administration and redirect politics. In the beginning of the twentieth century, Weber designed a dichotomy model explaining the relationship between politicians and administrators (Tahmasebi & Musavi, 2011). In contrast to Wilson, Weber (1922) focuses on the administration to stay out of politics and emphasizes that the administration should operate impartially and not engage in politics. Weber (1922) stresses the division of labor between administrators and politicians and concludes that the two have separate roles. The strict relationship is sustained by the politicians developing strategies, visions and goals while administrators should implement the wishes of the politicians in the daily administration (Weber, 1922).

During the middle of the twentieth century the dichotomy model became criticized and was later expressed as false (Tahmasebi & Musavi, 2011). Waldo (1948) states that any strict division between politics and administrators is insufficient as a description of the relationship. This is because the governing process is a complex area of judgment and action that cannot be

described that simply (Waldo, 1948). Administrators were in this time supposed to use their judgment in public decision-making and thus the administration could not be separated from politics (Tahmasebi & Musavi, 2011).

During the 1980s and 1990s there was a return towards dichotomy much due to the NPM movements (Tahmasebi & Musavi, 2011). The arguments for the division between politics and administration were that an integrated relationship enhances the influence of the administrators, and can make politicians vulnerable to their impact (Tahmasebi & Musavi, 2011). Hence, the division was advocated to increase political control. However, according to Liguori et al. (2009) this priority of politics gave way to priority of administration in giving them independence from politics. There was a focus on “letting the managers manage”, where politicians should not interfere in management (Liguori et al., 2009).

During the past decade there has been an emphasis on a complementary relationship between politicians and administrators instead of a dichotomy relationship (Svara, 2001, 2006; Högberg, 2007; Demir & Reddick, 2012). Demir and Reddick (2012) state that in understanding the relationship between politicians and administrators, complementarity is a more appropriate concept than that of dichotomy and that this is recognized in recent literature. This is consistent with Svara’s (2001) complementarity model, which reaches for distinction between politicians and administrators, but emphasizes that the two are combined in a complex relationship. In complementarity the administrators are involved in making policy, and give the policy its content in the implementation process (Svara, 2001). Drawing on this, Brunsson (1989) highlights the role of the administrators in the policy- and decision-making process, in constituting that the politicians’ role is to permit themselves to be controlled instead of exercising control in the relationship with administrators. Högberg (2007) further argues for the duplex causality relationship between chief administrators and politicians; although politicians may influence chief administrators, they can also influence politicians. This duality relationship between administrators and politicians within the more recent literature is in line with the view in our study, and will be recognized when analyzing the empirical data.

The contemporary theory is in line with the findings of Liguori et al. (2009), who state that the model of dichotomy seems to be an ideal model instead of a real one. No evidence of separation could be found in their research, instead there were patterns of integration between chief administrators and politicians (Liguori et al., 2009). The complementarity view is also applied by Demir and Reddick (2012) who find that when politicians incorporate chief administrators in the policy-making process, the chief administrators are more willing to let politicians in to the administrative area. This is similar to the findings of Feldman and Khademian (2002), although they are focusing on the influence by chief administrators on the relationship structures that interact in governing, for example the relationship with politicians. The authors state that chief administrators through this influence affect governance structures, and thus the structures of policy making, and therefore help to govern. Strengthening this argument, Högberg (2007) found chief administrators within Swedish municipalities to be highly influential over the political decisions. This is by Högberg (2007) regarded to as the pro-active role of chief administrators where they have the power to, if they want, affect political decisions even before they have been made.

2.5 Theoretical Framework

The dichotomy-duality model presented in Figure 1 is developed by Svava (1985) in order to give a more nuanced view of the relationship between politicians and administrators. The model reconceptualizes the former dichotomy model in advocating an integrated relationship between the two.

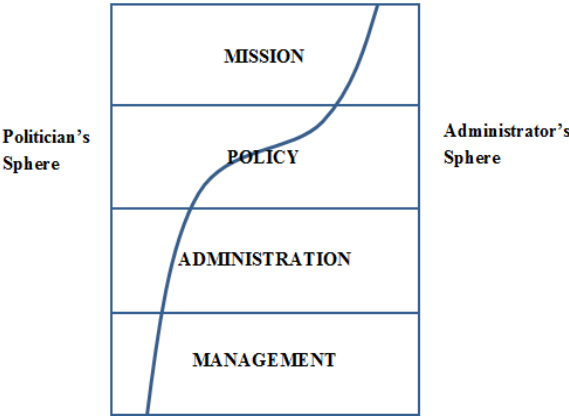


Figure 1. Functions of the Governing Process
(Adapted from Svava, 1985)

The model has four different functions; Mission, Policy, Administration and Management, which according to Svava (1985) are the functions of the governing process. Mission refers to the vision and targets of the organization and its major goals, the tasks of the function include the tax-level and the scope of services provided. In Mission politicians dominate, but administrators have an advisory role in analyzing trends in order to elaborate mission proposals. The Policy function refers to operationalization of goals and to policy decisions, for example how to implement services and spend government revenues. Within the Policy function Svava (1985) argues that interaction is common, as politicians receive recommendations on policy-making from administrators. Administration is the third function and refers to implementation of services. Administration is mainly the function of the administrators, but politicians are involved in legislative issues such as the implementation and oversight of legislative decisions. The last function is Management, which refers to the activities that are done to assist the Administration and Policy functions. These internal activities are for example employment and coordination of staff. This is the area of management and administration, however politicians are somewhat involved in for instance management changes.

The division of responsibility between politicians and administration is represented by the line drawn through the diagram in Figure 1, with the politicians on the left side of the line and the administration on the right side of the line. This division is approximated as a “proper” position in regards to the amount of shared responsibility. In the functions Mission and Management, there exist a dichotomy relationship whereas in Policy and Administration there is a duality relationship. Svava (1985) states that it does not exist a complete separation in Policy and Administration as the traditional model (the dichotomy model) suggests. However, it does not constitute as a complete intermix either; the politicians and administrators have their own responsibilities, which enables democratic control over the governing process.

In our research we are focusing on the management accountants’ relationship with politicians and the role of the management accountant in this relationship. The Policy function of the model is the field of the management accountant, with work tasks that constitute of conducting proposals for decision-making and formulating budgets. Therefore our focus will be on the

Policy function of the dichotomy-duality model (see Figure 1). Svava (1985) emphasizes that policy-making should be a common object, and that politicians should encourage the administrative staff to participate. This is because the making of policies is in need of the expertise of administrative staff. Hansen and Ejersbo (2002) state that it can be difficult to define who has the most impact in a function, especially in the Policy function the influence may shift. Brunsson (1989) on the other hand, states that the influence of the politicians in the policy-making process is weak and that the influence of administrators is high. Hansen and Ejersbo (2002) also recognize the Policy function as the function where the most intense interaction between politics and administration might exist. According to Svava (1985) there is a need for further research on the division of responsibility in the political-administrative relationship for each function, for instance the Policy function. Studies on the role of the administrative staff in this relationship have also been called for, Lee and Raadschelders (2008) ask for research of the role and influence of mid-level administrators at the regional and local level of government. This in order to “increase the understanding of role of specialists in policymaking” (Lee & Raadschelders, 2008, p. 431).

To conclude, the role of the management accountant within the private sector has undergone a change in recent years, which is well documented in academia. A focus towards business orientation has been grounded, and management accountants are playing a bigger part in management decision making. This as they are information experts and are working in close cooperation with management. While the management accountants in the public sector have not received as much attention, a similar trend to that of the private sphere has been detected. In the light of NPM, a new management accountant role has developed. However, while previous research does point towards management accountants being involved in the decision-making process in the public sector, it has been directed towards the relationship between management accountants and chief administrators. In the public sector it is not the chief administrators that have the ultimate decision-making authority, this belongs to politicians. Hence, the focus of our study is turned towards management accountants and politicians.

The relationship between politicians and administrators has been extensively debated in academia, where the earlier research focused on a dichotomy relationship between the two, which in latter research has been quite criticized. The recent literature is instead focusing on an interactive and complementary relationship between administrators and politicians, which is the base for most current studies. We have chosen to use the dichotomy-duality model by Svara (1985), which has a base in the notion of an interactive relationship. The focus is on the Policy function (see Figure 2), which is the function where management accountants are active, and involves the most interaction between administrators and politicians.



Figure 2. The Policy Function
(Reworked from Svara, 1985)

As the role of the management accountant in the private sector has increased, and it can be argued that the role also has increased within the public sector, it constitutes as an essential base for our research in seeing the relationship between management accountants and politicians as of value to examine. In our study we examine the relationship between management accountants and politicians with the notion that it exists a complementary relationship between them, and thus the study focus on how this complementary relationship appears in the municipality of Stockholm. This is examined through the Policy function of the dichotomy-duality model, where the responsibility of the management accountant will decide the size of the administrators' part within the Policy function. As shown in Figure 2, the more influence the management accountant has, the larger part of the Policy function will appertain to administrators, and the line within Policy will shift to the left, and vice versa if the management accountant has less influence.

3. Research Approach

3.1 Qualitative Research Approach

While previous research in this area has been both quantitative and qualitative, we found that a qualitative research was most appropriate for our study, as we were interested in how management accountants interpret their social world (Bryman & Bell, 2011). Furthermore, in previous research it has been shown that in examining relationships between management accountants and chief administrators, a qualitative approach may help in capturing information which is not visible in for example a survey study (Paulsson, 2012). As the aim of our study was to clarify the involvement from management accountants within what Svava (1985) refers to as the Policy function of the governing process, we chose qualitative interviewing as our primary data source. This since qualitative interviewing helps to understand problems when they are complicated (Rubin & Rubin, 1995), which helped us in unraveling the relationship between management accountants and politicians even though it is complex. We also chose to use document studies in order to complement our interviews and to gain further support for our research.

By conducting interviews, our interest laid in understanding how the interviewees act within their specific organizational context, thus drawing on the hermeneutic approach (Bryman & Bell, 2011). The hermeneutic perspective of philosophy of science is concerned with not only comprehending people and their actions, but to deeper understand them and thereafter interpret them (Thurén, 2007). In order to understand the relationship between the management accountant and the politicians, and the management accountant's role within this relation, we interpreted and analyzed the empirical findings. Hence, it is important to note that interpretation is individually dependent on one's pre-understandings of reality (Thurén, 2007), which applicable into our study relate to previous literature and theoretical framework.

As we were trying to understand the management accountants' view of their role through semi-structured interviews, we were further inspired by phenomenology, where interest lies in being concerned with interpreting how individuals comprehend the world around them (Bryman & Bell, 2011). In this approach there are three levels of interpretation (Bryman & Bell, 2011); first we listened to the interpretations of our interviews in their understanding of the world, and then made our interpretations of what had been said. Thereafter we put our interpretations into a social scientific frame, namely the dichotomy-duality model, which led us to our third interpretation in considering theories and literature of our research area. Our intentions were not to test whether Svava's dichotomy-duality model held true, but rather through interviewing management accountants add insight into how they fit within this model in the relationship to politicians. Thus, the theoretical pre-understandings were revised and in that sense, our empirical results served as a base for theory construction which is referred to as an inductive approach (Bryman & Bell, 2011).

We examined the role of the management accountants with a notion for their, and the politicians, ability to affect the structure of the organization they are in. This was derived from constructionism, as we saw the individuals as having an active role in the construction of social reality (Bryman & Bell, 2011). Since we were letting our interviewees describe their thoughts and experiences in their own terms, this was a subjective description of reality, hence further drawing on constructionism (Bryman & Bell, 2011).

3.2 Collection of Empirical Data

3.2.1 A Case Study - The Municipality of Stockholm

Considering our aim we found a qualitative approach in form of a case study design being most appropriate for our study. Hence, we focused solely on one municipality, namely the municipality of Stockholm. Stockholm is the only municipality in Sweden having Divisions [rotlar] with Mayors [borgarråd] and Council of Mayors [borgarrådsberedning], which affect the governing process in terms of an additional level before errands arrive at the City Executive

Board and the City Council. This makes Stockholm to an unique municipality⁵. Furthermore, the municipality of Stockholm is divided into both Specialist Committees and District Councils, where District Councils exist due to the size of the municipality. By conducting a case study a generalization of theory is hard to accomplish, rather focus is turned towards gaining a deeper understanding of the uniqueness of the case (Bryman & Bell, 2011).

The municipality of Stockholm was selected through convenience sampling, hence this municipality was chosen through accessibility (Bryman & Bell, 2011), since we were a part of the Institute for Local Government Economics. Once the case municipality was chosen, we further deepened the case by accessing three divisions within the municipality; the City Executive Office, one Specialist Committee and one District Council. The interviewees within these divisions were approached through snowball sampling, meaning that they were appointed through an initial acquaintance (Bryman & Bell, 2011). In using this approach, it is important to recognize that the initial acquaintance at the municipality had strong impact on who we were given as contacts for interviewing. The same applies for the finance managers, who were giving recommendations on which management accountants to interview. However, in order to ensure the most appropriate management accountants possible were interviewed, the themes within the interviews with finance managers were partly structured around the management accountants and their duties. The empirical findings from the divisions were compared in order to find similarities and differences between the divisions. In addition to these divisions, we further conducted interviews with politicians belonging to each respective division's board; the City Executive Board, the Specialist Committee's Board and the District Council's Board. These boards were strategically chosen, as they are the ones in control of the respective divisions.

3.2.2 Semi-Structured Interviews

In our case study we chose to use semi-structured interviews, as it gives an opportunity to ask follow-up questions while still having the same base throughout all interviews. By keeping the same base, the interviews were comparable to each other. The interviews were conducted during a two-month period, and a total of ten semi-structured interviews with administrators were made. These interviews were distributed as follows: two at the City Executive Office, both with

⁵ Please refer to Appendix III for a full picture of the municipality of Stockholm.

management accountants; four at the Specialist Committee, of which three were with management accountants and one with their finance manager; and four at the District Council, of which three were with management accountants and one with their finance manager. We further conducted four interviews with politicians; one at the City Executive Board, two at the Specialist Committee’s Board and one at the District Council’s Board. The distribution of interviews is presented in Table 1.

Table 1. Distribution of Interviews

	Management Accountants	Finance Managers		Politicians
City Executive Office	2	X	City Executive Board	1
Specialist Committee	3	1	Specialist Committee’s Board	2
District Council	3	1	District Council’s Board	1

Although semi-structured interviews have many strengths, this approach also has some drawbacks. First and foremost, it relates to the interpretive nature of the responses which has been further explored in the “Qualitative Research Approach” section. This interpretive nature relates to the findings being hard to generalize (Bryman & Bell, 2011). Another drawback was that due to accessibility we were not able to conduct the same amount of interviews on each subdivision. However, during the last interviews conducted, we found there to be saturation where neither the management accountants nor the politicians provided any news insights to the themes addressed.

3.2.3 From Interviewing to Coding

We structured the interviews around major themes⁶, where the themes presented in Table 2 depended upon whether it was a management accountant, politician or finance manager that was being interviewed. As the interviews went along, we further developed interesting subjects addressed by the interviewees. Depending on how the interviewee responded to certain questions, sometimes an adjustment of the sequence of questions asked was made. This was in order to receive the most fluent dialogue possible.

Table 2. Interview Themes

Management Accountants	Finance Managers	Politicians
The general role of the management accountant	The organizational structure	The general role of the politician
The budget process as a basis for decisions	Relation to management accountants	The budget process as a basis for decisions
Investigations as a basis for decisions	The finance department and the politicians	Investigations as a basis for decisions
Relation to politicians		

Finance managers were interviewed before interviewing management accountants, as we wanted to obtain an overall picture of each department and assure we would interview the most suitable management accountants for our study. This is essential within a case study, as the quality of the empirical results is dependent on the interviews being conducted with key informants (Myers, 2009). In the case of the City Executive Office, the finance manager was not available for interviewing. However, on two occasions this finance manager was contacted by telephone in order to ensure the appropriate interviewees were appointed for this division.

⁶ For full interview guides, please refer to Appendix V, VI and VII.

The themes for the interviews with management accountants were adjusted after the conversations with the finance managers. A few days prior to the interviews with the management accountants and politicians, an email was sent out giving general instructions on the interviews in terms of anonymity and themes. The intentions with this were to make it possible for the interviewees to prepare and also hopefully feel more comfortable during the interview. At all interviews both authors were present and they took place at the interviewees' respective offices. Each interview lasted between half an hour to one hour and was recorded, as this will ensure complete concentration on the interviewee instead of taking notes. All the interviews were conducted and transcribed in Swedish, where the translation of the quotations presented in chapter four "Empirical Findings", were made by the authors of this thesis. Although transcribing was time consuming, transcribing the entire interviews had several advantages which we argue overcame this disadvantage. During the transcription phase, we began the primary analysis of the empirics by noting topical themes addressed by the interviewees. Once the transcriptions were completed, it allowed for backtracking the answers repeatedly and it also gave the possibility to thoroughly examine the interviewees' answers (Bryman & Bell, 2011). To ensure respondent validation (Bryman & Bell, 2011), the interviewees were given the chance to confirm the quotations being used in the empirical findings, this to assure no misunderstandings occurred. Following the interviews, email contact was established in order to be able to further explore any possible ambiguities.

After transcribing the interviews, the transcripts were coded. The process of coding is to categorize the interviewees' answers to receive a view of resembling ideas, themes or concepts, or steps in a process, which has been detected in the interviews (Rubin & Rubin, 1995). We have conducted the coding process by rereading the transcripts, having the themes and concepts that we are exploring in mind. Thereafter the coding categories were set and the interviews were read again, this time marking the themes and concepts every time they appeared in the interviews. When completing the coding the data was grouped into categories that allowed us to compare the themes and concepts that were discussed and how they were understood (Rubin & Rubin, 1995), and thus to compare the answer of the interviewees.

3.2.4 Document Study

In addition to conducting interviews we studied documents, as this complements some aspects of what the interviewees were discussing. In the interviews with the finance managers, we were given organizational schemes which have been used in order to better understand how the municipality of Stockholm and its divisions is constructed. This approach is often used in case study research, as these documents help the researcher in presenting the chosen case organization (Bryman & Bell, 2011). Also, we followed an assignment derived from the budget 2013 from proposal to the decision taken and combined this with interview questions to the concerned management accountant who worked on this matter. This was done in order to ensure that no misunderstandings relating to the governing process within the municipality occurred when interpreting the results. The specific assignment is presented in Appendix II, which is recommended to read in order get an example of how the governing process in the municipality of Stockholm functions.

3.3 Source Criticism Issues

In both quantitative and qualitative research it is important to acknowledge source criticism issues, as this affects the quality of the results. By being aware and trying to minimize these issues when gathering our data and analyzing the empirical findings, we argue the credibility of the study was increased.

3.3.1 Interviewing as a Technique

In terms of the interviews, the fact that we were a part of the Institute for Local Government Economics may have affected how our interviewee's answered, since they were aware that their finance managers and possibly politicians knew that they had been interviewed. Thus, they might have felt reluctant to answer certain questions or give a skewed answer. Furthermore, our study could be seen as rather sensitive in terms of how much administrators are involved in the governing process, and how much is perceived as appropriate. This might also have affected how the interviewees responded to the questions, and to which extent they gave answers which they believed were the "appropriate" answers. Throughout the interviews with management accountants, we felt there to be a cautiousness regarding questions concerning decision-making. This was handled by trying to sense how comfortable the interviewee felt during the

conversation, and thereafter having a different approach in how the questions were asked. Thus, in some interviews we asked several questions which had the same aim and were more of an indirect nature.

Interviewing as a primary data gathering method, is a learning technique (Bryman & Bell, 2011), hence the first time conducting an interview the setting is unfamiliar for the interviewer and possibly also for the interviewee. This might have impacted the quality of the first interviews conducted, where follow-up questions might not have come as natural as later on in the process. However, all interviews were performed by both authors present, where support and learning from each other helped in making sure important themes addressed by the interviewee were followed-up as detailed as possible.

3.3.2 Enhancing Credibility of the Study

The study's literature review, problem background and problem discussion consists of scientific articles, books and reports. These have been read critically, and by using articles which have been published in already peer-reviewed journals, the trustworthiness of the arguments is increased. While all the books have not been peer-reviewed, a majority of the books used is previous course literature, which we argue enhances their credibility. The report (SKL, 2012) presented in the problem background has been used in order to further show the complexity between administration and politics, thus it should be considered as additional information rather than academic theory.

When analyzing our empirical results we have used the dichotomy-duality model developed by Svara (1985). A possible criticism of the model is that it is rather old and thus the accuracy can be questioned due to changes within the public sector since it was developed. However, Svara has conducted several articles post the one containing this model, and he still argues for a complementarity relationship between administrators and politicians (Svara, 1998, 2001, 2006). This view of the relationship is also presented by the main part of the most recent literature covering the area (Feldman & Khademian, 2002; Högberg, 2007; Liguori et al., 2009; Demir & Reddick, 2012). Thus, we argue that the basic notion behind the model is still valid.

3.4 Research Ethics Perspective

In a research ethics perspective, we have a moral responsibility towards the participants in regards to protecting their privacy as far as it is possible, and thus all interviewees are anonymous. However, we were a part of the Institute for Local Government Economics, and this institute frequently conducts research on the municipality of Stockholm, and thus it was a drawback in terms of offering complete anonymity. In order to assure anonymity to the extent possible, we decided not to specify names of the participants nor which Specialist Committee or District Council the interviews took place at. Furthermore, any specific terms or areas mentioned by the interviewees, where it may be possible for a third part to recognize who the interviewee might be, have been replaced with an X in the quotations used in the empirical results. It is also important that the representation and analysis of data is made in an honest way, which we aimed to do. Nevertheless, we have interpreted the data with our subjective notion, and thus the analysis will be affected by our view of the case.

4. Empirical Findings

4.1 The Case Municipality

The municipality of Stockholm employs more than 39 000 people (Stockholm Stad, Organisation, 2013), and with just under 900 000 inhabitants (Stockholm Stad, Fakta, Statistik och Kartor, 2013) it is the largest municipality in Sweden (SCB, 2013). The municipality is divided into several divisions and subdivisions which are presented in Figure 3, having different responsibilities depending on which level within the municipality they belong. Our interviews with management accountants and their managers took place at the City Executive Office, one Specialist Committee and one District Council. The politicians participating in the study were members of the City Executive Board, the Specialist Committee's Board and the District Council's Board. In the following three sections⁷ we will briefly present the different divisions.

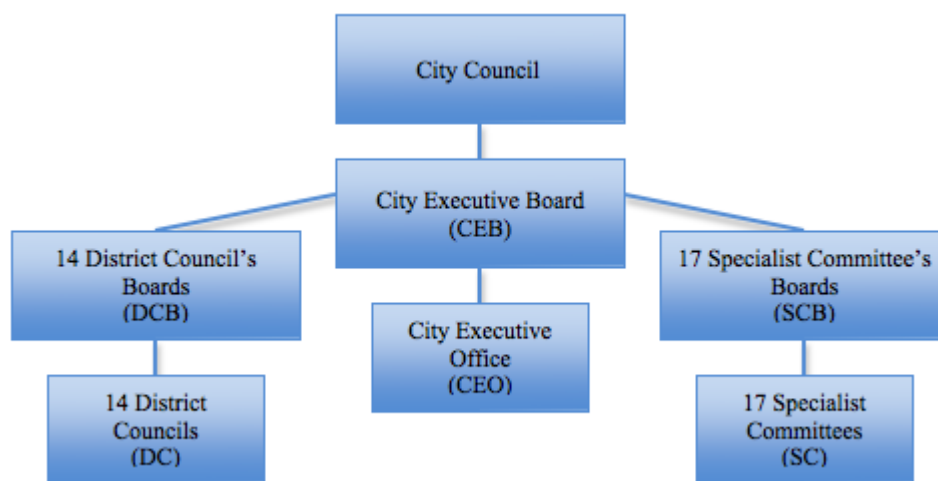


Figure 3. Organizational Structure in the Municipality of Stockholm⁸

⁷ These sections are derived from both interviews and through studying the organizational schemes given by the finance managers.

⁸ Please note this is not a full picture of the organizational structure of Stockholm. For a full picture, please refer to Appendix III.

4.1.1 The City Executive Office and the City Executive Board

The overall goals and objectives of the municipality are controlled by the City Council, which consists of 101 democratically elected politicians. The City Council elects thirteen politicians to be members of the City Executive Board, with the responsibility to ensure these goals and objectives are executed. In turn, the City Executive Board has the City Executive Office in helping them administer the municipal organization. At this level there is a focus towards the entire municipality. Hereinafter, the City Executive Office will be referred to as CEO and the City Executive Board as CEB.

4.1.2 The Specialist Committee and the Specialist Committee's Board

There are seventeen Specialist Committees in the municipality of Stockholm, where each Specialist Committee is controlled by a political board. The thirteen members of the board are reflecting the political composition in the City Council. The mission of the Specialist Committees is related to the entire municipality, where each Specialist Committee has been assigned one area of responsibility. For example there is one Specialist Committee responsible for traffic, one for environment, one for employment, and so on. Hereinafter, the Specialist Committee will be referred to as SC and the Specialist Committee's Board as SCB.

4.1.3 The District Council and the District Council's Board

The municipality of Stockholm is further divided into fourteen District Councils, where each District Council is responsible for the daily municipal service. This includes welfare issues, welfare issues for the disabled, social services, preschool and urban environmental issues. Similar to the Specialist Committees, each District Council is controlled by a District Council's Board, with thirteen members reflecting the political composition in the City Council. However, these politicians usually have a full-time job, hence their time spent on the board is done in addition to their regular jobs. The board's main responsibility is to ensure the money received from the municipality is allocated to fit the local needs of the district. Hereinafter, the District Council will be referred to as DC and the District Council's Board as DCB.

4.2 Duties of the Management Accountant

4.2.1 Background and Main Duties

All management accountants except one have several years of experience from municipal work, and two of them have been working in other municipalities than Stockholm. Each management accountant within the different levels has a certain operational area of responsibility; at the CEO there is a responsibility towards specific DCs and SCs, at the DC and SC the management accountants are responsible for units belonging to their specific operational area. All management accountants interviewed have common duties, identified as the budget process and investigating proposals, which are perceived as the main duties. Three management accountants also have a coordination responsibility, meaning that they coordinate their respective operational area and report this to their finance manager.

All management accountants have a commitment towards their specific operational area. The management accountants at the DCs and SCs have established close contact with their units and at the CEO, the management accountants have established close contact with the DCs and SCs. This is argued to facilitate a high degree of business intelligence, which is considered a cornerstone in order for the management accountants to perform their daily work assignments. As put by the finance manager at the DC:

If you are to be a skilled management accountant, if you don't know the business it doesn't matter how good you are at calculating, then you won't be able to question, then it is only a number. That's the big challenge, to understand the business. (Finance Manager, DC)

While the main duties are similar across the municipality, the execution may differ depending on where in the municipality they are employed. This is presented in the following two sections.

4.2.2 The Budget Process

The budget process is considered the primary responsibility, constantly being referred back to, and constitutes of a) the making of the budget proposal including definition of operational goals and allocation of resources and b) budget follow-up where monthly forecasts, four month period reports [tertialrappporter] and end of the year reports are included. At the CEO the main budget and goals for the entire municipality are being developed. These are then delegated throughout the entire organization to the SC and DC, where the budget may be reworked in order to fit their purposes. The management accountants within the DC and SC are developing a budget on the basis of the budget frames set by the CEO and CEB. Although the management accountants found it hard to specify time distribution on different tasks as it may differ depending on the time of the year, the budget process and its different parts was estimated as to take up a lot of time. One management accountant at the SC puts it as follows:

It's operating activities I work with. I mean, it's the yearly wheel of budgeting: there are monthly forecasts, four month period reports and then the end of the year report. And then of course, sometimes there are some other things in between. (Management Accountant 3, SC)

As the levels have different municipal responsibilities, the tasks and time distribution within the budget process differ depending on being employed at the CEO, SC or DC. At the CEO they are actively working from the beginning on the budget proposal conducting budget memos, which is a yearly summary of the operational area for which the management accountant is responsible. In order for the budget to be set for the entire municipality, it is to be accepted by the CEB and the City Council. Working on the budget proposal is found to be time consuming:

When it comes to working on the budget [proposal] it's initially about producing material, I mean I write a lot of memos /.../ For me this year, it's been very much. It basically fills the entire day and more, basically from April until the budget is published in October. (Management Accountant 2, CEO)

At the SC and DC, as the budget frame for the budget proposal is already set, the task is rather to customize the allocation of resources and goal setting to fit the levels' specific needs. Each management accountant's operational area consists of units, where each unit receives a certain amount of resources every year. This distribution is the responsibility of the management accountant, however there is a strict budget frame on how this distribution should be made.

I mean, the City Council sets the frame and then [the DC] subtracts money for central administration [and] facility costs. And then there's an amount, what's left, which is distributed to the units. And this is a minimum of [X] percent.
(Management Accountant 1, DC)

Once this budget has been set, and it has been accepted by the board, the units conduct their own budgets for which they are also responsible. Hence, the management accountants in the SC and DC rather serve as support for their units.

It's the managers, the unit managers, who are responsible for their budget, to get the budget together and to present it. We are more, we examine, collect, follow-up, register, analyze. (Management Accountant 1, SC)

In the budget-follow up procedure the DC and the SC report their progress to the CEO, and the CEO coordinates the reports in order to get a comprehensive picture for the entire municipality. Throughout the year all management accountants spend a lot of time on budget follow-up, where each management accountant has the responsibility to summarize their specific operational area. The time distribution for budget-follow up is addressed in the following manner by one management accountant at the DC:

I work very much with operational follow-up /.../ It represents, half of my time I spend on operational follow-up. (Management Accountant 2, DC)

4.2.3 Investigating Proposals

The other main duty is where the management accountant investigates proposals from politicians, which can be preparation of referrals [remisser] and assignments derived from the budget. The investigations lead to a summary in form of an official statement [tjänsteutlåtande], where the opinion of the administration is presented. The official statement then serves as a base for decision when the politicians decide on the matter in the board. An investigation is also done on political requests [skrivelser], where politicians require information on a certain matter or project, and the management accountant leaves a statement on the matter or regarding the status of the project. These political requests are only directed towards specific politicians, as the politicians wish to enhance their knowledge of a matter, and do not lead to a decision in the board. At the CEO, the different kinds of investigations represent a large part of the working time for the MA:

As a management accountant, as the City Executive Office is a great referral body, we get to answer almost all referrals that arrive. This leads to that the management accountant may receive everything from governmental inquiries, ministry requests, to answering bills [motioner] that are put forward in the City Council, or political requests from the City Executive Board that we answer. So it's a lot of writing [and] producing material. (Management Accountant 2, CEO)

Especially assignments derived from the budget often take a lot of time, as the management accountant becomes the project manager and has the responsibility of composing the official statement of the assignment. On developing an extensive policy one management accountant at the CEO said the following:

Maybe we've got an assignment in the budget to do something and then you take on the hat of the project manager, becoming the project manager or investigator, and then you solve the assignment /.../ I had the assignment to develop a new [X] policy for the municipality of Stockholm /.../ So that was a very large assignment that took a lot of time. (Management Accountant 1, CEO)

The management accountant in the CEO gathers the expertise needed for the assignment both from the CEO and from the SC and the DC if needed to form the project group. At the SC, the management accountants also receive referrals and assignments from the budget but they do not perceive it as a recurring event, it is more on an ad hoc basis.

Yes [we do investigations], for instance when we examined the [X] model. It's not as if something will come all the time, but this was a pretty extensive investigation, which I conducted together with others that work to a larger extent with operational issues. (Management Accountant 3, SC)

All management accountants receive political requests which they can answer directly or where they need to do a smaller investigation. At the DC the management accountants answer assignments and referrals, but they do not conduct the investigations from the beginning. They receive an official statement from the CEO or the SC that they shall answer with the specific considerations of their district in mind.

To a large extent it concerns answering referrals where somebody else, for example the [X] Specialist Committee, has answered, and then it's passed over to all the District Councils and we may express our opinion about it.

(Management Accountant 2, DC)

However, the management accountants at the DC conduct initial investigations when answering political requests, where they examine for example what has been done in a project and how the project progress, and report back to the politicians.

4.3 Impact on Strategic Decisions

The main part of the management accountants' work constitutes of producing material for political decision-making, as both the budget proposal and the official statements are bases for political decisions in the related boards. The impact from the management accountants is derived from the fact that it is the management accountants that conduct the actual work and may therefore have a possibility to influence the decisions. The influence of the management accountants through the budget proposal and the official statements are accounted for below.

4.3.1 The Budget Proposal

During the development of the budget proposal⁹ the management accountants do find their work as impacting on how the final budget will look like. Especially at the CEO, where the initial steps in form of budget memos are conducted which constitute as the base towards politicians deciding on a budget for the entire municipality. One management accountant finds himself/herself being able to choose what to bring forward, and when asked about his/her influence it is expressed accordingly:

Yes, but of course I do. I mean, you write drafts for, you write budget proposals. So, of course it influences /.../ It's about highlighting what is important /.../ For example if there is anything where you think that, no but this they should be more focused upon or become better at developing. Then of course, you almost always get that through in the budget texts. (Management Accountant 2, CEO)

This view is further supported by the politicians interviewed, where they enhance administrators as being an important instrument in forming the budget proposal. Administrators are argued to be the ones having knowledge and expertise regarding the operational activities within the municipality, and through this their influence is evident:

The big influence is there. Absolutely /.../ They're the ones who do the work, they're the ones who create the budget, they're the ones who have access to the

⁹ The budget process constitutes of both the budget proposal and the budget follow-up. However, the latter has not been included in this section, as it is not directly influencing the decisions taken by politicians.

information and they're the ones who have the numbers. And not least, they have the time to go through everything, so of course they influence very much, sure they do. And it's completely reasonable that this is the way it is, nothing strange at all. (Politician, DC)

At the DC and SC, as the budget frame is already set, the influence is rather visible in terms of developing which goals the division should have or to make reallocations between different operational areas. All management accountants in the three levels do however repeatedly pinpoint towards politicians being the decision-makers where they, if they want to, are able to change or make corrections in the budget proposal once the proposal from administration has been handed over to politicians. The management accountants then make sure the adjustments are correctly presented, and operationally feasible. These adjustments are grounded in the political vision, and this is out of control for the management accountants.

Sometimes it could happen that you reallocate [within the budget proposal] between operational areas /.../ But that's where the board comes in. I mean, they decide how the money should be allocated. We can make proposals, but then they're the ones who say no, social welfare shall have so and so many millions, elderly care shall have so and so many millions. And then we need to adjust after that, they're the ones who decide. (Management Accountant 1, DC)

Once the budget proposal is presented to the respective boards, the cohesive view from all interviewees is that the budget proposal will be accepted. Any eventual changes have been arranged beforehand, through a dialogue between chief administrators and politicians. When asked whether the budget proposal has been neglected by the board, one management accountant states the following:

I mean, I haven't experienced that. It's pretty secured during the process through the chief administrators, having a dialogue with the politics. So, no. (Management Accountant 3, SC)

4.3.2 Investigations as a Basis for Decisions

The management accountants conduct investigations which lead to an official statement, through preparation of referrals and assignments derived from the budget. This is thereafter passed on to the politicians who make a decision on the matter based on the official statement. Hereinafter both referrals and assignments derived from the budget are referred to as investigations¹⁰.

In the matter of management accountants influencing political decisions through the official statements they produce, there is not a clear picture from the management accountants' side. This as they have no direct contact with politicians and they therefore find it hard to express if they affect political decisions, as it is the chief administrators who have the final saying of the proposal before it progress to the politicians. However, it is the management accountants that conduct the proposal and are able to choose which issues to include in the official statement.

I have no decision-making authority, no decision function, but I can still in this referral choose that these are the areas I think we should highlight, these are important for us. In a way, that's a possibility to be able to impact, and we can emphasize this, but I have to agree with my department manager because it's his or her case, and she's the one who signs. (Management Accountant 2, DC)

The politicians also believe that the administrators making investigations can choose what to bring forward, and finds them being able to influence political decisions through the official statements they produce. One politician states the following regarding if administrators influence political decisions:

Yes of course they do, absolutely. In regards to how one formulate oneself and what they select to bring forward and the information that's left out. Yes, definitely they do. (Politician, DCB)

¹⁰ The political requests that the management accountants answer will not be included in this section, as the proposals on the political requests do not lead to a political decision.

Another possibility for management accountants to impact the political decisions is through their competence and expertise. As they work full-time with a specific area they have an advantage in relation to politicians in terms of knowledge, especially since many politicians only do their political task on their spare time. The management accountants emphasize the importance of the proposals being accurate for the politicians to make good decisions. One management accountant explains it accordingly:

It's really important that the proposals that we provide to the politicians are well thought out, good and elaborated, and that there are no errors, because the politicians could never have the competence and knowledge at a detailed level that the administrators have. They need to make good decisions and our proposals need to be very good, clear, and a basis for their decision.

(Management Accountant 2, SC)

During the management accountants' work with the investigation there is no interchange with politicians regarding the progress of the matter, the politicians receive a finished product. After the official statement is conducted it is handed to the chairman of the board who have the ability to request changes if necessary. This conversation is held with the chief administrators who then direct instructions to the management accountant. However, that the politicians requests changes does not occur frequently, one management accountant provides this view when explaining that he/she had not been asked to change anything in his/her official statements:

I haven't received anything in return since I started here /.../ But I actually brought that up with my manager last week, how is it with everything as I don't get anything back? /.../ [The manager] just; no but then it's fine if nobody says anything. (Management Accountant 3, DC)

The official statements that the management accountants conduct progress to the respective boards for decision on whether to approve or deny the proposal. The most common is that the official statement is approved, even though smaller changes might be made. As the

administration has great knowledge of what the majority will approve they are able to direct their proposals so that they will be accepted.

It has happened a few times that the majority has added items to the proposals, where they've partially approved the administration's proposal for decision /.../ But the most common is definitely that they vote in favor of the administration's proposal for decision, and that the administration doesn't write proposals which they know that the majority won't vote for. (Politician, CEB)

When the official statement arrives at the different boards it constitutes the coherent picture of the administration, as the chief administrators approve and sign the official statements. Any eventual disagreement from the political majority is handled before the proposal reaches the boards, and thus the matter is already set and the outcome is evident. All the interviewees agree upon the fact that politicians have the ability to reject a proposal, however there exists a cohesive view that the official statement almost always is approved when it reaches the board.

But then it won't reach the City Executive Board, it's a bit like doing a dissertation, you won't reach there if they're going to reject you, your dissertation. Have you reached that far then, no you handle that beforehand. (Management Accountant 1, CEO)

The official statements produced by the management accountants contain the position of the administration on the matter investigated, but is a summary of what the administration has concluded. The rest of the material produced is enclosed as attachments. The view received from the interviews with politicians shows that the attachments are not studied to any extent, the politicians are solely focusing on the summary from the administration.

There's so much errands that goes by /.../ The documents are like this [thick] /.../ And then it's not possible to read large books once a month or once every third week. (Politician, CEB)

4.4 Interaction between Management Accountants and Politicians

All assignments conducted by the management accountants are to be approved by management, but although corrections may be made, the management accountants have the impression that their professional view is represented and brought forward to politics. However, the management accountants agree on the fact that they do not have any direct contact with politicians in their daily work, and provide the picture of the municipality being hierarchic. Meanwhile describing the official contact to politics as being through the managers, some management accountants do recall having sporadic contact with politicians. This has occurred when a politician has had a question regarding work conducted by the management accountant, and where the politician does not take the official way through the chief administrators to contact the management accountant.

It has happened that they [the politicians] have phoned me. Because it always says who the administrator is [in the official statement] /.../ Not often, I can't say that, but they've done it a few times. (Management Accountant 2, DC)

The division of responsibility between administrators and politicians is described as being separated, and although politicians have the decision-making authority, they do not direct the management accountants in their daily work. This is as the politicians are to fulfill the political visions rather than directing on a detailed level within the administration. One management accountant states the following:

It's very important to separate between these two /.../ They [the politicians] decide and say what, and we investigate and say how. They should not come and try to direct us. (Management Accountant 2, SC)

The comprehensive view of the interviewees is that the administration has a great awareness of how the politicians want to obtain their political vision. For the management accountants this can be illustrated by the proposals they conduct in form of the budget proposal and official statements. If the management accountant receives the proposal back in return from politics to make changes, the management accountant learns what the politicians desire and how to write

the proposals to fit politics. Thus, the management accountants educate themselves in what they are able to write in order for the proposal to be approved.

*You should try to write what works, that you don't write what doesn't work /.../
It's not like the administrator is a follower, I believe that it's having an awareness, you can't go against politics and write things you know that they [the politicians] don't want. As an administrator you should prepare the kind of politics that the people have voted for. (Management Accountant 1, CEO)*

The political governance is put forward as specific for the municipality, the municipality has political Divisions that collect and elaborate the official statements conducted by the administration. This in order to conclude the overall picture the politicians desire to present to the City Executive Board and the City Council.

*There are no other municipalities in Sweden that have Divisions /.../ Errands that proceed to the City Council and the City Executive Board [in other municipalities] are presented by administrators, it's a chancellery [kansli] that does it, but in Stockholm they are politically appointed administrators.
(Politician 2, SCB)*

However, the politicians are not allowed to simply change an errand in the way they wish to, this since all errands need to be prepared before a decision is taken according to the Swedish municipality law. If the politicians disagree with administration they may reject the proposals but it may be difficult to add items that are not prepared to the proposal.

5. Analysis of Empirical Findings

5.1 Analysis Structure

In order to unravel which role the management accountant has within the relationship to politicians in regards to the governing process, we begin by clarifying the relationship between them. Once this has been established, we examine the role of the management accountant within this relation. Following this, the analysis consists of a discussion regarding the influence of management accountants within the Policy Function of the dichotomy-duality model, where focus is turned towards investigations and the budget process. In the final part we visualize the relationship between management accountants and politicians through the Policy function, based on the previous analysis.

5.2 The Relationship between Management Accountants and Politicians

Politicians constitute as an additional level above management and at a first glance, it appears as though the management accountants find the relationship to be strictly separated. Based on how they formally address the relationship, the management accountants perceive the politicians as having the task of saying “what to do” and administrators “how to do it”. All management accountants agree upon the fact that they have almost no direct contact with politicians, and that politicians do not direct them in their daily work tasks, which further contribute to this view. This resembles what Weber (1922) would refer to as a dichotomy relationship, where there is a strict separation of responsibility between administrators and politicians. However, when looking deeper into the responses, the distribution of responsibility is not that simple. By drawing on Högberg (2007), who argues for mutual influence between politicians and chief administrators, our empirical findings reveal that there exists an indirect mutual influence between management accountants and politicians. Hence, the management accountants are indirectly influenced by the politicians and the management accountants indirectly influence politicians. The influence is highlighted through the proposals management accountants conduct, as they serve as a base for political decisions. By adapting the proposals to fit politics, and to avoid conducting proposals which they know will not be accepted, the management accountants have let the politicians to interact indirectly into their work. At the same time the

management accountants feel that they are able to get their professional point of view across in the proposals they conduct for politics. The politicians interviewed also enhance that the administrators conducting the proposals (management accountants) have a large influence on the decisions taken. This is explained through the dichotomy-duality model, where the administrators have an extensive part within the Policy function, as there is a need for administrative expertise in order to conduct policy (Svara, 1985). In that sense, the relationship between management accountants and politicians within the Policy function in our case study takes the form of a duality relationship rather than a dichotomy relationship, which is in line with Svara's (1985) model.

5.3 The Role of the Management Accountant

Through the empirical data gathered, we argue that the management accountants within the municipality of Stockholm are acting as hybrid accountants, which include responsibilities from both bean-counters and business partners (De Loo et al., 2011). From the interviews it becomes evident that they are experts within their specific operational area, where they gain experience both through having close contact with their units and through business intelligence. Although Zoni and Merchant (2007) speak in terms of wide business knowledge, referring to the entire industry, the management accountants in the municipality have wide business knowledge within their specific area. This is by both Järvenpää (2007) and Zoni and Merchant (2007) argued to be an important prerequisite for management accountants to be able to act as business partners. By having detailed knowledge they are able to choose which parts to bring forward when conducting proposals to politics. This is similar to the findings of Paulsson (2012), who argues that this makes management accountants influential in the decision-making process. The management accountants give advice on strategic and operational decisions when conducting proposals for the budget and official statements, which Zoni and Merchant (2007) emphasize as being the main character of being a business partner.

As the management accountants have almost no direct contact with the politicians, they are not involved in meetings with top management and the decision-makers. In that sense, they are not considered as a part of the management team, which according to previous research has been the case for the management accountants being business partners in the private sector (Granlund

& Lukka, 1998; Järvenpää, 2007; Zoni & Merchant, 2007). Hence, in terms of formal prerequisites for acting as business partners, the research conducted in the private sector would rather classify them as bean-counters. However, we argue that the management accountants are acting as business partners to the extent being possible for the public sector in this matter. This as the municipality is a hierarchic organization, and direct interaction between management accountants and politicians is not supposed to exist. Instead, the management accountants rather present their view through the proposals they conduct. Meanwhile acting as business partners, the management accountants were found to spend a large amount of time on information collecting and reporting, which by Granlund and Lukka (1998) are proposed as traditional responsibilities of the bean-counter. The responsibility does however not stop at reporting, as they are conducting follow-ups and are analyzing the results for their respective operational area. Hence, the management accountants in the municipality of Stockholm have the characteristics of the hybrid accountant.

While being hybrid accountants, the higher up in the municipality the management accountants are employed, the closer to being business partners they become. This as the extent of responsibilities differ depending on which division they belong; at the CEO the management accountants play a bigger part in the budget proposal, the budget proposal is strategic and refers to the entire municipality, receive all assignments from politics and may also lead the investigations. At the SC the budget frame is already set, thus they solely allocate resources between the central administration and the units and serve as support for their units in their budget work. The DCs responsibilities in the budget planning are similar to that of the SC, but in terms of investigations they solely reply to official statements conducted by SCs and the CEO. Therefore, we find the management accountants at the CEO to be closest to what previous research refers to as business partners.

5.4 Influence within the Policy Function

The two major responsibilities of the management accountants within the Policy function are investigations and the budget proposal. It is important to note that the management accountants do not have any decision-making authority in those responsibilities, as all proposals conducted by the management accountants are to be approved by chief administrators. However, the common view is that the management accountants perceived their professional opinion as being represented to politics. At all levels they conduct official statements on assignments and referrals, which are derived from politics. They are able to influence political decisions through the official statements they produce, as they have major expertise of the area and can choose what to bring forward or leave out in their proposal. The official statement is almost always approved when it reaches the board and there is almost no interaction with politicians during the investigation. We argue that this constitutes as a major possibility for the management accountants to influence the political decision-making. This is in line with Brunsson (1989) who states that the influence of the administrators in the Policy function is higher than that of politicians. However, in the municipality of Stockholm the official statements are gathered and elaborated in the related Division, which is a political level, before they continue to the CEB and City Council for approval. Thus, the influence of politicians in the policy making process becomes stronger than proposed by Brunsson (1989). Nevertheless, although the politicians within the Division elaborate the proposals, they cannot simply ignore the investigation conducted by the management accountant and write their own proposal for decision. This is since all decisions taken need to be investigated beforehand. Therefore, we argue that management accountants through their influence can affect the structures of policy making and as stated by Feldman and Khademian (2002) thus help to govern.

All management accountants agree upon the fact that they are able to influence the formulation of the budget proposal, and a similar view is proposed from the politicians. However, the extent of responsibility within the budget proposal is dependent on whether being employed at the CEO, SC or DC. As the management accountants at the CEO are working on the budget from the beginning, their influence is highlighted in terms of being able to include areas or matters which they find important to focus upon. At the SC and DC the influence is rather through reallocations and/or goal formulation, and thus we argue that their influence is not as extensive

as at the CEO where they are a part of the initial budget work for the entire municipality. It is always pinpointed that it is the politicians that have the decision-making authority, and once the proposal has been handed over from administration to politics the politicians are able to make adjustments. Thus, both management accountants and politicians believe that the management accountant has a high possibility to influence the budget, but at the same time it is the politicians that have the final approval authority. This is explained by Svava (1985, 2001) when describing the administrators and politicians as having a complementary relationship where the relationship is combined, but at the same time they have their own responsibilities, which enable democratic control over the governmental process.

5.5 Illustrating the Policy Function

In Figure 4, the collective picture of the relationship between management accountants and politicians within the Policy function of the dichotomy-duality model is visualized. The solid line represents the original line from the Policy function of Svava’s (1985) model. Incorporating the influence of the management accountants into the Policy function, the management accountants have a great influence in regards to the proposals they conduct. This leads to the line within the Policy function to shift to the left giving them enhanced responsibilities, which is illustrated with the arrow pointing left arriving at the dotted line.



Figure 4. The Relationship between Management Accountants and Politicians
(Partly based on Svava, 1985)

However, there is a dialogue between the chief administrator and the leading politician of the majority regarding the errands, and the politicians sometimes make adjustments to the proposals. The politicians also have the ability to reject the proposals from the management accountants even though this rarely is the case. This enables the politicians to, through their influence, at any time move the line within the model back to the right again. This is shown by the arrow pointing to the right in Figure 4. Even though the politicians possess this possibility of

influence, this is rather being executed on an occasional basis. Thus, the line stays to the left except on the occasions when politicians make adjustments or rejections, pushing the line back to the right. Hence, there is no strict line between administrators and politicians within the Policy function as both the management accountants and the politicians have the ability to move the line. Svara (1985), through his line within the Policy function, shows that policy-making is a common object between administrators and politicians. However, drawing on Brunsson (1989) who states that the influence of administrators is high, our empirical findings suggest that there can be a larger influence from management accountants than proposed by Svara's model.

6. Conclusion

In our case study we find the relationship between management accountants and politicians to be of an indirect nature, as almost no direct contact between management accountants and politicians exists. Rather, the proposals conducted reach the politicians through the chief administrators, and then serve as a basis for political decision-making. These proposals allow management accountants to be influential in what Svava (1985) refers to as the Policy function, which given our aim shows that they have a high level of involvement in the governing process. This high level of involvement constitutes as a vital part in answering what the role of the management accountant in the relationship between management accountants and politicians within the governing process is. We find the management accountants to be acting as hybrid accountants, and through their business knowledge they are able to influence the decisions within the governing process. This will be further explained below.

In the private sector the management is the decision-maker, and the relationship between the management accountant and management is direct, where the management accountant when acting as a business partner is giving directions on decisions directly to management (Järvenpää, 2007). However, in the public sector politicians are the ultimate decision-makers, and constitute as an additional level above chief administrators, where the relationship between the management accountant and the decision-maker is different from that of the private sector. Thus, it is not possible to completely apply what is known on management accountants in the private sector on the public sector, as there is another organizational structure due to the democratic order. Because of this organizational structure, we find that the indirect relationship does not restrict the possibility for the management accountant to influence decisions. Rather, we find the management accountants to be acting as business partners to the extent being possible for the public sector, in regards to the proposals they conduct. However, even though the management accountants give advice on decisions through their proposals to politicians, which is referred to as acting as a business partner, we also find the management accountants to have the characteristics of the bean-counter. Hence, the role of the management accountants in our case study takes the shape of what the private sector refers to as hybrid accountants, having the qualities of both bean-counters and business partners (Burns & Baldvinsdottir, 2005; De Loo et al., 2011). We therefore contribute to the existing literature on the role of the

management accountant in two ways; a) we find them to be having the characteristics of a business partner even though no direct relationship between them and the decision-maker exists, and b) by having these characteristics together with those of the bean-counter the management accountants are acting as hybrid accountants.

The proposals conducted by the management accountants constitute as the indirect link in the relationship with politicians, and it is through the proposal the management accountant has the ability to influence the decisions. Both Högberg (2007) and De Loo et al. (2011) have found administrators to be influential in these processes, however focus has rather been turned towards chief administrators. We argue that the same applies to management accountants, where they have the proactive role described by Högberg (2007), being able to choose what to include in their proposals and thereby influence the decision before it is taken. Hence, we find there to be a high level of involvement from management accountants in the Policy function, being expressed through their influence. Previous studies on the relationship between administrators and politicians have been focused on chief administrators and politicians, where chief administrators are found to have influence in the governing process. Our findings suggest that this holds true for administrators who are employed lower down in the municipality, which implies that the area of administration influencing political decisions is larger than solely referring to chief administrators. This contributes to the existing literature on public administration, by explaining that administrators on lower levels affect the governing process.

In regards to the problem background of our study, the democratic view is that the elected politicians should enact the will of the people and thus make the decisions. This leads to the suggestion that it exists a strict line between politicians and administrators. However, as proposed by Högberg (2007) in practice there is no strict line between administrators and politicians, as politicians rely to a large extent on proposals conducted by administrators. Svava (1985) finds politicians and administrators as having an interactive relationship within the Policy function and defines a “proper” line of dividing the responsibilities within the function. In examining the Policy function in specific, we find management accountants and politicians to have an indirect interaction within the Policy function. It is also not possible to draw a strict line dividing their responsibilities and influence within the function, as they have the ability to move

the line within the Policy function when utilizing their influence. This contributes towards the view that the relationship between administrators and politicians does not equal what the relationship formally is supposed to be. Rather, in practice, even administrators lower down in the organization can affect political decisions. Thus, through our findings, the discussion regarding the democratic order also concerns administrators lower down in public organizations. However, establishing whether this is problematic in terms of the democratic order lies outside the aim of this thesis. Nevertheless, our findings show that the management accountants have the ability to affect the governing process through their influence within the Policy function. Therefore, they can be considered to have power within this process. Their influence is derived from the knowledge they possess in terms of professional expertise and business knowledge. Thus, given our title, we find that knowledge is power in the case of management accountants within the municipality of Stockholm.

6.1 Further Research

Although there exists no direct interaction between management accountants and politicians within the municipality of Stockholm, the management accountants constitute as an influential body in the governing process. Since the management accountants have influence in the governing process, the role of the management accountant within the relationship to politicians would be of interest to further examine. As our study is contextualized, future studies on other municipalities or other political contexts could be conducted, to gain a broader perspective of the relation. Studies on counties, comparable studies on municipalities and studies on smaller municipalities could be carried out, where communication channels may be different.

As this study has shown that administrators lower down in the organization have influence in regards to the policy process, further research is also needed in order to understand how this influence may affect the democratic order. While this falls outside the aim of our thesis, we find this interesting to further examine as previous research rather has tended to focus on chief administrators.

In addition to this, further studies on the role of the management accountant in the public sector are needed. We find the management accountants to be acting as hybrid accountants when

having a focus towards decision-makers, another possible angle would be to solely focus on the role. This in order to examine both communication channels upwards, as in our study, but also downwards in the organization towards the specific organizational areas for which the management accountants are responsible.

7. References

- Brunsson, N. (1989). *The Organization of Hypocrisy: Talk, Decisions and Action in Organizations*. 1st edition. Wiley: Chichester.
- Bryman, A. and Bell, E. (2011). *Business Research Methods*. 3rd edition. Oxford University Press: Oxford.
- Burns, B. and Baldvinsdottir, G. (2005). An Institutional Perspective of Accountants' New Roles – The Interplay of Contradictions and Praxis. *European Accounting Review*. Vol. 14, No. 4, pp. 725-757.
- Byrne, S. and Pierce, B. (2007). Towards a More Comprehensive Understanding of the Roles of Management Accountants. *European Accounting Review*. Vol. 16, No. 3, pp. 469-498.
- Corson, M. and Miyagawa, T. (2012). Leadership Global CFO – From Scorekeeper to Strategist. *Financial Executive-Magazine of Financial Executive Institute*. November.
- De Loo, I., Verstegen, B. and Swagerman, D. (2011). Understanding the Roles of Management Accountants. *European Business Review*. Vol. 23, No. 3, pp. 287-313.
- Demir, T. and Reddick, C. G. (2012). Understanding Shared Roles in Policy and Administration: An Empirical Study of Council-Manager Relations. *Public Administration Review*. Vol. 72, No. 4, pp. 526-536.
- Feldman, M. S. and Khademian, A. M. (2002). To Manage is To Govern. *Public Administration Review*. Vol. 62, No. 5, pp. 541-554.
- Frenckner, P. (1989). *Värde För Pengarna – Om Controllerarbete och Ekonomisk Styrning i Kommunal Verksamhet*. 1st edition. SNS Förlag: Stockholm.
- Goretzki, L., Strauss, E. and Weber, J. (2013). An Institutional Perspective on the Changes in Management Accountants' Professional Role. *Management Accounting Research*. Vol. 24, No. 1, pp. 41-63.
- Granlund, M. and Lukka, K. (1997). From Bean-Counters to Change Agents: The Finnish Management Accounting Culture in Transition. *The Finnish Journal of Business Economics*. Vol. 46, No. 3, pp. 213-255.

- Granlund, M. and Lukka, K. (1998). Towards Increasing Business Orientation: Finnish Management Accountants in a Changing Cultural Context. *Management Accounting Research*. Vol. 9, No. 2, pp. 185-211.
- Hansen, K. M. and Ejersbo, N. (2002). The Relationship Between Politicians and Administrators: A Logic of Disharmony. *Public Administration*. Vol. 80, No. 4, pp. 733-750.
- Hellström, C. and Ramberg, U. (2007). *Ekonomens Många Ansikten – Ekonomer i Kommuner, Landsting och Regioner*. 1st edition. KEFU: Lund.
- Högberg, Ö. (2007). Maktlösa makthavare – en studie om kommunalt chefskap. PhD., Linköping University. Available at: <http://liu.diva-portal.org/smash/get/diva2:24152/FULLTEXT01.pdf> [Assessed 2013-10-25].
- Järvenpää, M. (2007). Making Business Partners: A Case Study on how Management Accounting Culture was Changed. *European Accounting Review*. Vol. 16, No. 1, pp. 99-142.
- Järvinen, J. (2009). Shifting NPM Agendas and Management Accountants' Occupational Identities. *Accounting, Auditing and Accountability Journal*. Vol. 22, No. 8, pp. 1187-1210.
- Lapsley, I. and Oldfield, R. (1999). The Past is the Future: Constructing Public Sector Accountants. *Pacific Accounting Review*. Vol. 11, No. 2, pp. 137-147.
- Lee, K-H. and Raadschelders, J. C. N. (2008). Political-Administrative Relations: Impact of and Puzzles in Aberbach, Putnam, and Rockman, 1981. *Governance: An International Journal of Policy, Administration, and Institutions*. Vol. 21, No. 3, pp. 419-438.
- Liguori, M., Sicilia, M. and Steccolini, I. (2009). Politicians versus Managers: Roles and Interactions in Accounting Cycles. *International Journal of Public Sector Management*. Vol. 22, No. 4, pp. 310-323.
- Lindvall, J. (2009). *Controllerns Nya Roll – Om Verksamhetsstyrning i Informationsrik Miljö*. 1st edition. Norstedts Akademiska Förlag: Stockholm.

- Myers, M. D. (2009). *Qualitative Research in Business & Management*. 1st edition. SAGE: London.
- Paulsson, G. (2012). The Role of Management Accountants in the New Public Management. *Financial Accountability & Management*. Vol. 28, No. 4, pp. 378-394.
- Ramberg, U. (2000). *Ekonom i Sikte – Bilder av Ekonomen i Sveriges Kommuner och Landsting*. 1st edition. KEFU: Lund.
- Rubin, H. J. and Rubin, I. S. (1995). *Qualitative Interviewing: The Art of Hearing Data*. 1st edition. Sage: Thousand Oaks.
- Russel, K., Siegel, G. and Kulesza, C. S. (1999). Counting More, Counting Less: Transformations in the Management Accounting Profession. *Strategic Finance*. September.
- SCB. (2013). *Folkmängd i Riket, Län och Kommuner 31 December 2012 och Befolkningsförändringar 2012*. [online] Available at: http://www.scb.se/Pages/TableAndChart_350652.aspx [Assessed 2013-11-09].
- SKL, Sveriges Kommuner och Landsting. (2012). ed. by Linde, H., Lindgren, L., Hansson, L., and Persson, G. *Uppdrag och Samspel mellan ledande Politiker och Tjänstemän*. Available at: <http://webbutik.skl.se/sv/artiklar/uppdrag-och-samspel-mellan-ledande-politiker-och-tjansteman.html> [Assessed 2013-10-25].
- Stockholm Stad. (2013). *Fakta, Statistisk och Kartor*. [online] Available at: <http://www.stockholm.se/OmStockholm/Fakta-och-kartor/> [Assessed 2013-11-09].
- Stockholm Stad. (2013). *Organisation*. [online] Available at: <http://www.stockholm.se/OmStockholm/Forvaltningar-och-bolag> [Assessed 2013-11-09].
- Svara, J. H. (1985). Dichotomy and Duality: Reconceptualizing the Relationship Between Policy and Administration in Council-Manager Cities. *Public Administration Review*. Vol. 45, No. 1, pp. 221-232.

- Svara, J. H. (1998). The Politics-Administration Dichotomy Model as Aberration. *Public Administration Review*. Vol. 58, No. 1, pp. 51-58.
- Svara, J. H. (2001). The Myth of the Dichotomy: Complementarity of Politics and Administration in the Past and Future of Public Administration. *Public Administration Review*. Vol. 61, No. 2, pp. 176-183.
- Svara, J. H. (2006). Complexity in Political-Administrative Relations and the Limits of the Dichotomy Concept. *Administrative Theory and Praxis*. Vol. 28, No. 1, pp. 121-139.
- Tahmasebi, R. and Musavi, S. M. M. (2011). Politics-Administration Dichotomy: A Century Debate. *Administration and Public Management Review*. Vol. 17, pp. 130-143.
- Thurén, T. (2007). *Vetenskapsteori för Nybörjare*. 2nd edition. Liber AB: Malmö.
- Waldo, D. (1948). *The Administrative State: A Study of the Political Theory of American Public Administration*. 1st edition. The Ronald Press Company: New York.
- Weber, M. (1922). 'Bureaucracy', in J.M. Shafritz and A.C. Hyde (eds), *Classics of public administration*. 4th edition. Orlando, FL: Harcourt Brace College Publishers.
- Wilson, W. (1887). The study of administration. *Political Science Quarterly*. Vol. 2, No. 2, pp. 197-222.
- Zoni, L. and Merchant, K. A. (2007). Controller Involvement in Management: An Empirical Study in Large Italian Corporations. *Journal of Accounting & Organizational Change*. Vol. 3, No. 1, pp. 29-43.

Appendix I: Dictionary and Abbreviations

Dictionary

English	Swedish
Administration	Förvaltning
Administrators	Tjänstemän
Bill	Motion
Board	Nämnd
Chancellery	Kansli
City Executive Office	Stadsledningskontoret
Council of Mayors	Borgarrådsberedning
Divisions	Rotlar
District Council	Stadsdelsförvaltning
Four month period report	Tertialrapport
Mayor	Borgarråd
Official statement	Tjänsteutlåtande
Political Request	Skrivelse
Referral	Remiss
Specialist Committee	Fackförvaltning

Abbreviations

CEO	=	City Executive Office
CEB	=	City Executive Board
SC	=	Specialist Committee
SCB	=	Specialist Committee's Board
DC	=	District Council
DCB	=	District Council's Board

Appendix II: The Example of “Central Fee Handling in the City”

The Decision-Making Process in 8 Steps



Figure 5. The Decision-Making Process in 8 Steps

Step 1

The “Central Fee Handling in the City” was given as an assignment derived from the budget to one Specialist Committee’s Board and the City Executive Board. The Specialist Committee’s task was to investigate the assignment, where a project group was formed with a management accountant as project manager. The project group wrote a memo where the investigation was presented, which was sent to the City Executive Office.

Step 2

The concerned management accountant at the City Executive Office summarized the memo, and further contributed to the investigation through expressing his/her view for the entire municipality. An official statement regarding the assignment was conducted, which was signed by the City Director before being sent back to the Specialist Committee, all District Councils and also the units for which the assignment is concerning.

Step 3

The Specialist Committee and all District Councils received the official statement, which was sent to the appropriate management accountants who were to express their professional opinion regarding the matter. Each management accountant at the different divisions produced an official statement, which was signed by the division manager.

Step 4

The official statements were sent to the respective boards, who accepted the proposals.

Step 5

Once the boards had accepted the proposals, they were sent to the concerned Division [rotel], where the proposals were consolidated, and the Mayor at the Division expressed his/her opinion on the assignment and summarized it all into one proposal.

Step 6

The proposal was sent to the Council of Mayors, where the proposal was discussed and prepared.

Step 7

The responsible Mayor presented the proposal to the City Executive Board, who accepted the proposal.

Step 8

The proposal was presented to the City Council, where the majority accepted the proposal. Hence, the decision regarding “Central Fee Handling in the City” was taken and the implementation of the proposal could start.

Appendix III: The Municipality of Stockholm

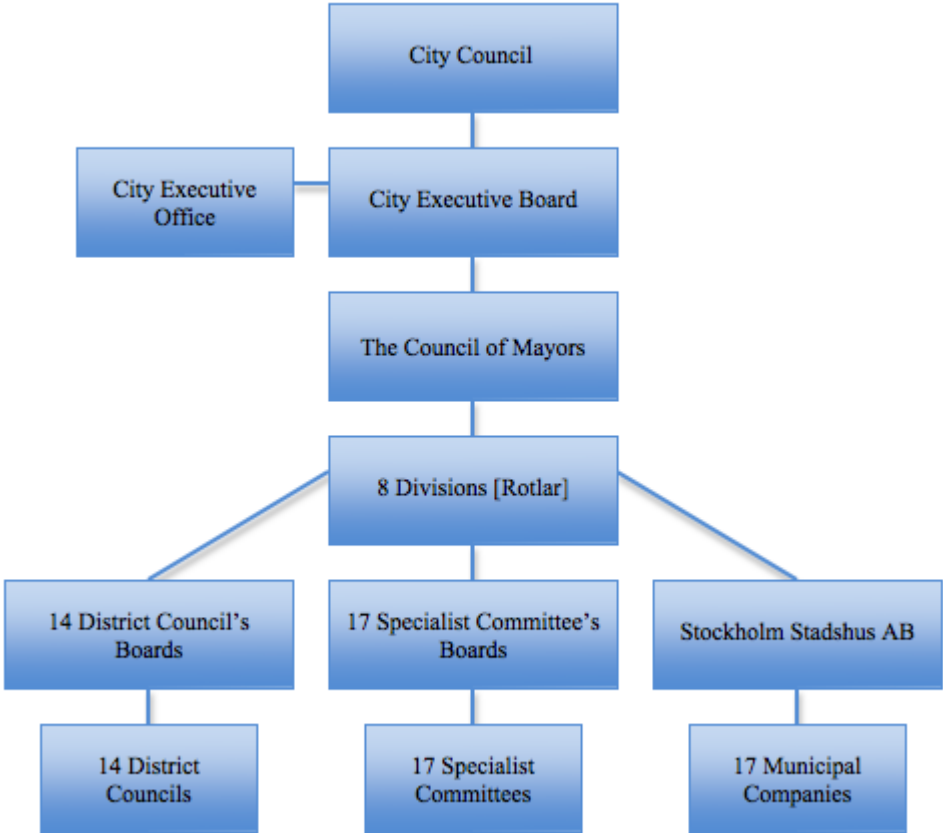


Figure 6. The Full Organizational Structure of the Municipality of Stockholm

Appendix IV: Document Study Reference List

Central Fee Handling in the City

The Specialist Committee's memo: "Central avgiftshantering pm"

The City Executive Office' proposal: "Förslag till central avgiftshantering"

The Specialist Committee's referral reply: "Angående remissen om central avgiftshantering"

One District Council's referral reply: "Angående remissen om central avgiftshantering"

The Specialist Committee's Board's decision: "Beslut om central avgiftshantering"

The District Council's Board's decision: "Beslut om central avgiftshantering"

The City Executive Board's decision: "Beslut om central avgiftshantering"

The City Council's decision: "Beslut om central avgiftshantering"

Organizational Schemes

Organizational scheme of the municipality of Stockholm

Organizational scheme of the Specialist Committee

Organizational scheme of the District Council

Organizational scheme for the finance department of the District Council

Appendix V: Interview Questions Management Accountants

Bakgrund

- Hur länge har du jobbat här, vad har du för utbildning, vad har du gjort tidigare?

Controllerns roll

- Kan du berätta om din roll på förvaltningen?
- Vad har du för arbetsuppgifter?
 - *Tidsfördelning?*
 - *Tar du fram beslutsunderlag inför beslut i till exempel nämnden?*

Beslutsunderlag budgetprocessen

- Kan du beskriva hur går det till när du utformar budgetförslaget?
- Hur ser beslutsunderlaget ut som du lämnar vidare?
 - *Siffror/text?*
- Till vem lämnas beslutsunderlaget?
- Hur presenteras det?
- Hur når det politikerna i nämnden?
- Presenteras det annorlunda då?
- Kan det hända att ni får tillbaka förslaget för omarbetning?
 - *Hur omarbetas?*

Beslutsunderlag utredningar

- Kan du beskriva hur går det till när du får ett uppdrag att utreda?
- Hur ser arbetet med uppdraget ut?
 - *Hur många är det som deltar?*
 - *Vem gör vad?*
- Hur ser underlaget som du tar fram ut?
- Omarbetas eller sammanfattas underlagen på något sätt?
- Ser underlagen olika ut beroende på vem de är ämnade för?
 - *Exempelvis chefer, politiker?*
- Hur ser förhållandet med din chef ut i detta arbete?
- Hur presenteras underlagen?
 - *Via vem?*

Relation till politiker

- Hur skulle du vilja beskriva samspelet mellan politiker och tjänstemän?
 - *Vad är din roll?*
- Har du någon direkt kontakt med de politiker som tar beslut på de underlag du producerar?
 - *Privat eller i jobbet?*

- Hur uppfattar du att politiker förstår de underlag och analyser du producerar?
- Har politikerna någon möjlighet att påverka arbetet du gör?
 - *Hur har de möjlighet att påverka?*
 - *Får de rapporter längs vägen eller bara en färdig produkt?*
- Har du varit med om att politikerna inte har följt dina rekommendationer?
 - *Vad är din syn på det?*
 - *Varför?*
- Hur tror du att ditt arbete påverkar beslut i nämnden?
 - *På vilket sätt?*
- Händer det att politikerna säger nej till utredningarna och att de kommer tillbaka för omarbetning?
- Får du direkt återkoppling på utredningar som gjorts?
 - *Hur ser den återkopplingen ut?*

Utredningsärende dokument - specifikt fackförvaltningen

- Kan du utveckla vilken roll förvaltningen hade i denna utredning?
- Hur såg utredningen ut?
- Vad var din roll?
- Vad för underlag har tagits fram för att komma fram till förslaget från förvaltningen?
- Vem gör sammanfattningen av underlagen till det slutliga förslaget?
 - *Hur beslutas det hur sammanfattningen ska se ut?*
- Hade ni på förvaltningen någon kontakt med politiker under utredningens gång?
 - *Du?*
 - *Synpunkter/frågor?*

Appendix VI: Interview Questions Financial Managers

Hur organisationen ser ut

- Kan du berätta hur förvaltningen ser ut organisationsmässigt?
 - Olika avdelningar, enheter, ansvarsområden etc?
 - Finns det något organisationsschema som vi kan få titta på?
- Hur ser din avdelning ut organisationsmässigt?
- Hur många controllers sitter där?
 - Finns det olika typer av controllers?
- Vad har de för arbetsuppgifter?

Relation mellan manager och controllern

- Vad är dina arbetsuppgifter?
- Vilka rapporterar du till?
- Hur ser relationen mellan dig och controllern ut?
 - Hur ser samarbetet ut, rapporterar de direkt till dig eller är du involverad i deras arbete?
 - Avdelningsmöten och möten mellan dig och controllern, hur ser de ut? Vad diskuteras?

Ekonomiavdelningen och politiker

- Hur ser avdelningens medverkan i den politiska beslutsprocessen ut?
 - Utredningsärenden?
- Det ni producerar på din avdelning, hur når det politiker?
- Vilka har direkt kontakt med politiker i nämnden och vad är din relation till dem?
- Tar controllers fram beslutsunderlag inför beslut i nämnden?

Beslutsunderlag

- Hur läggs beslutsunderlagen fram till politiker?
 - Sker det genom möten/muntligt/skriftligt?
- Kan vi få tillgång till olika beslutsunderlag som arbetas fram av controllers?
- Arbetsbeskrivningar?

Appendix VII: Interview Questions Politicians

Politikerns roll

- Berätta lite om dig själv, hur länge du har suttit som politiker i nämnden, vad du har gjort innan.
- Kan du beskriva den roll du har i nämnden?
- Har du några andra politiska uppdrag?
 - *Vad innebär dom?*
- Hur skulle du vilja beskriva samspelet mellan politiker och tjänstemän?

Budgeten

- Hur ser kontakten ut mellan politiker och förvaltningen under budgetprocessens gång?
- Kontaktar du förvaltningen under budgetprocessens gång?
 - *Varför/Varför inte?*
 - *Vem kontaktar du? Lägre ner i organisationen?*
 - *Hur?*
- När förvaltningen lämnar ett förslag till budget och du får det i din hand, vad gör du med budgetförslaget?
 - *Läser igenom det?*
 - *Synpunkter/frågor? Till vem?*
- Kan du berätta om hur det går till när budgeten fastställs?
- Tycker du att tjänstemän har inflytande över budgeten och hur den ska utformas?
 - *Varför/Varför inte?*

Beredningar/Utreddningar

- Har du någon kontakt med förvaltningen under tiden beredningen görs?
 - *Frågor, rapporteringar?*
 - *Vem? Lägre ner i organisationen?*
- Tycker du att det är det lätt att förstå tjänsteutlåtanden?
 - *Varför/Varför inte, på vilket sätt?*
- Läser du bifogade underlag till tjänsteutlåtandet?
 - *Varför/Varför inte?*
 - *I hur stor utsträckning?*
- Har det hänt att du inte förstod ett tjänsteutlåtande/underlag?
 - *Vad gjorde du då?*
 - *Vem kontaktar du?*
- Kan du berätta vad som händer med ett tjänsteutlåtande när det kommer upp på politisk nivå?

- Har det hänt att ni inte har följt tjänstemännens utlåtande/förslag?
 - *Vad hände då?*
 - *Varför?*
 - *Omarbetning?*
- Tycker du att tjänstemän påverkar politiska beslut genom de tjänsteutlåtanden de utformar?
 - *Varför/Varför inte?*

Avslut

- Påverkar du på något sätt tjänstemännens arbete och i så fall hur?
 - *När?*

Stockholm University School of Business
106 91 Stockholm
Telephone: +46 (0)8 16 20 00
www.fek.su.se

School of Business

