Boundary subjects and boundary objects in accounting fact construction and communication...

…with the interventionist approach
Teemu Laine & Tuomas Korhonen

Århus, May 2016

cost
management
center *Ability for profit*

Cost Management Center explores profitability

We aim to improve the competitiveness and profitability of organizations using the means and tools of accounting.

Our core competence is in the field of management accounting, especially in analyzing costs and profits.

Research work in long-term cooperation with our industrial partners.

High-quality research also results in scientific publications in international journals and forms a solid foundation for up-to-date training.

Some of our partners

Rexroth Bosch Group | Gardner Denver | Tieto
Halton | metso | KOJA SINCE 1935
Puolustusvoimat | nokian TYRES | Pfizer
SANDVIK | NOKIA | Puolustusministeriö Försvarsministeriet Ministry of Defence
VALTRA | COMATEC
Patria | 8760 Fastems | ABB | kodin terra
evondos. | Levypyörä Oy | DUNLOP HIFLEX

TAMPEREEN TYÖTERVEYS | MOLOK ORIGINAL | TeliaSonera | PIHLAJALINNA
LINKOSUO Leipoo makua elämääsi | KALMAR | MERINOVA INNOVATION WITH ENERGY | LH Lift | PONSSE

TAMPERE UNIVERSITY OF TECHNOLOGY

CMC's interventionist research

The nature of research questions/ phenomena:

Complex management problems

Building a common understanding

Collective sensemaking in contexts of uncertainty

Methodological publications:

Suomala, P., Lyly-Yrjänäinen, J., & Lukka, K. (2014). Battlefield around interventions: A reflective analysis of conducting interventionist research in management accounting. Management Accounting Research, 25(4), 304-314.

Lukka, K., & Suomala, P. (2014). Relevant interventionist research: balancing three intellectual virtues. Accounting and Business Research, 44(2), 204-220.

Suomala, P. and Lyly-Yrjänäinen, J. (2011). Management Accounting Research in Practice: Lessons Learned from an Interventionist Approach. Routledge, New York. 139 p.

Some of our interventionist studies:

Laine, T., Korhonen, T., Suomala, P., & Rantamaa, A. (In press). Boundary subjects and boundary objects in accounting fact construction and communication. Qualitative Research in Accounting & Management.

Laine, T., Korhonen, T., & Martinsuo. M. (2016). Managing program impacts in new product development: An exploratory case study on overcoming uncertainties. International Journal of Project Management, 34(4), 717-733.

Korhonen, T., Laine, T., Lyly-Yrjänäinen, J., & Suomala, P. (2016). Innovation for multi-project management: the case of component commonality. Project Management Journal, 47(2), 130-143.

Rantamaa, A., Laine, T., & Korhonen, T. (2015). Accounting prototypes supporting product development: Integrating different actors' viewpoints. Proceedings of Pragmatic Constructivism, 4(1), 3-13.

Korhonen, T., Laine, T., Suomala, P. (2013). Understanding performance measurement dynamism: a case study. Journal of Management & Governance, 17(1), 35-58.

Laine, T., Suomala, P., & Paranko, J. (2012). Using business game concept to enhanve servitization : a longitudinal case study. Managing Service Quality, 22(5), pp.428-446. "Emerald Outstanding Paper Award 2013".

TAMPERE UNIVERSITY OF TECHNOLOGY
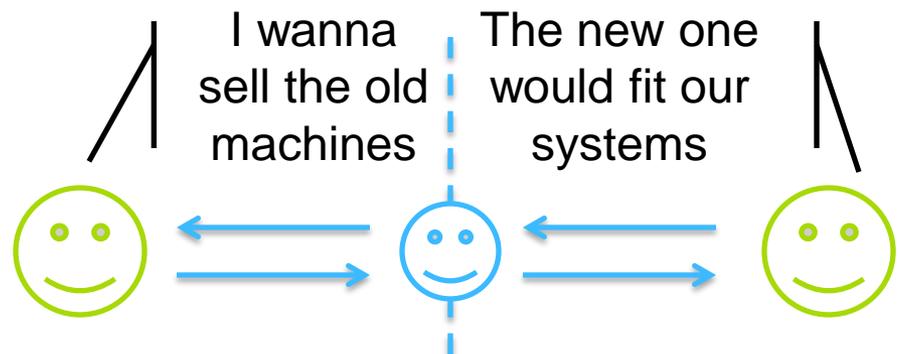
3

Purpose of the paper

- The article elaborates the concepts of **boundary subjects** and **boundary objects** in **constructing** and **communicating** relevant accounting **facts** for managing product development (PD).
- Boundary subjects are reflective actors
  - they benefit effective accounting enactment, by building **a shared understanding** about different actors' roles and information needs
  - they help to **create and use new calculations as boundary objects** in contexts of ambiguity and uncertainty.
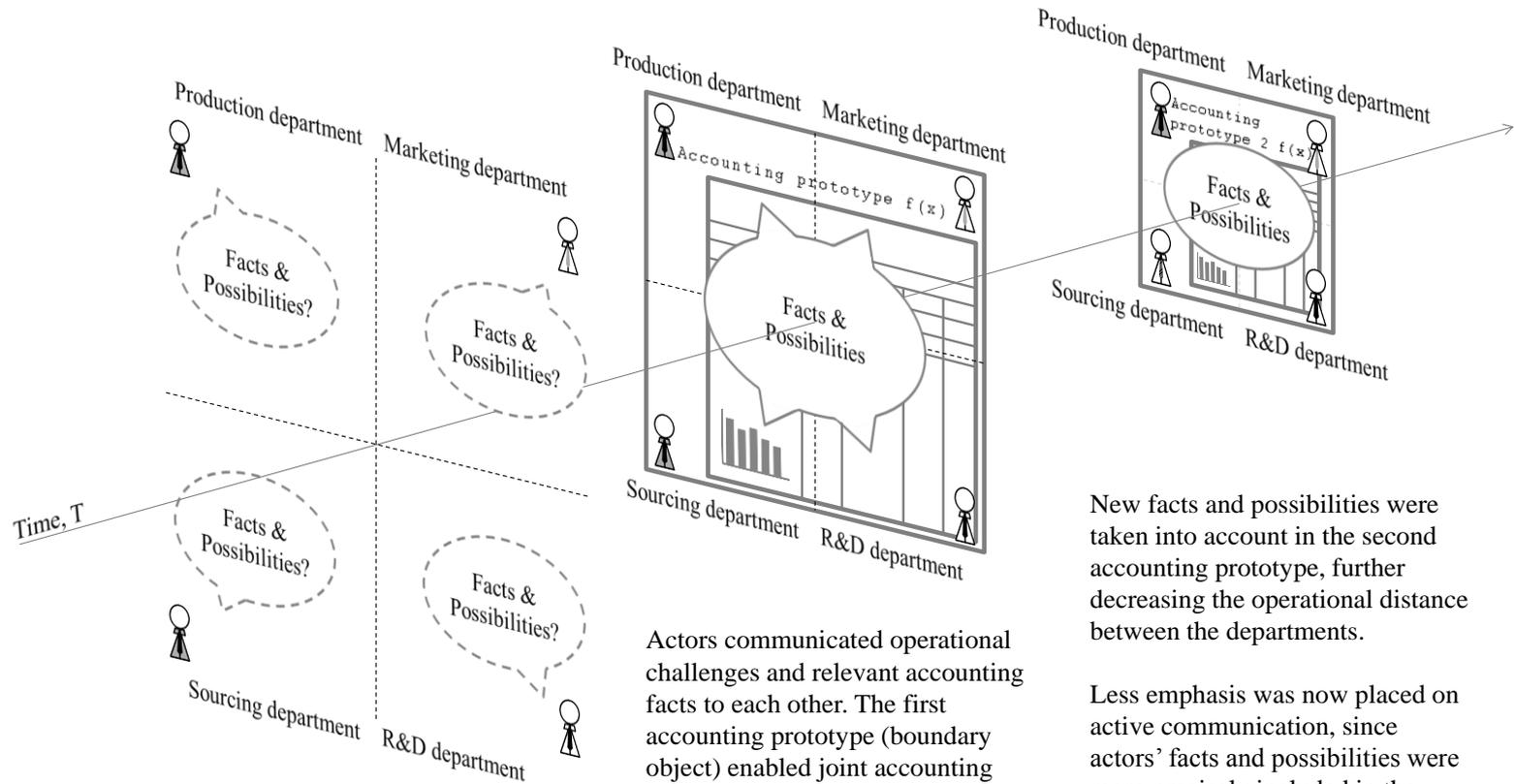
Boundary

Object

Subject
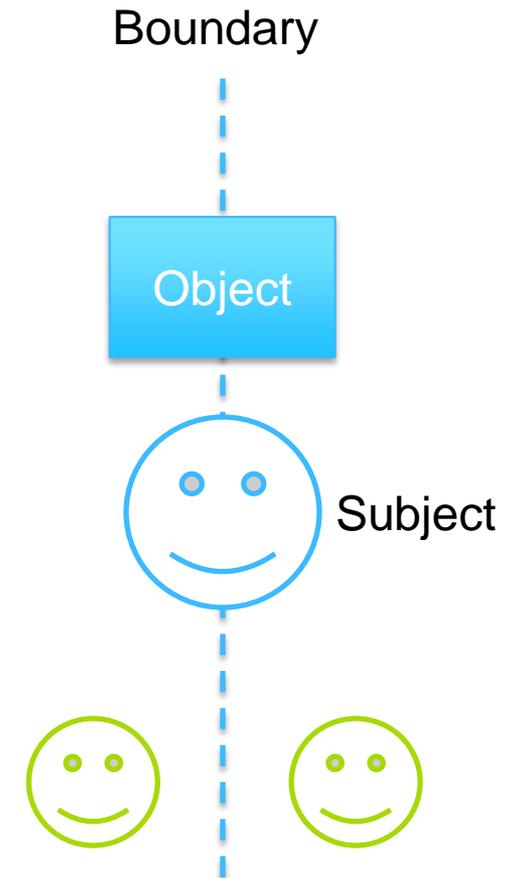
Methodology

- The article uses a longitudinal **interventionist case study** of a machinery manufacturer.
- The focus of this case study was the **production ramp-up** phase at the end of a PD program.
- Different actors' needs or "greetings" were first collected and elaborated by **interventionist researchers (boundary subjects)**.
- Then **accounting prototypes (boundary objects)** provided new means of communication.

Roles present in meetings	Different people	Percentage
Production	11	41 %
PD project personnel	4	15 %
Another division of the company	3	11 %
After sales	2	7 %
Finance/Accounting	2	7 %
Sourcing	2	7 %
PD program management	1	4 %
Product management (product line sales)	1	4 %
Research personnel	1	4 %
Total	27	100 %

I wanna sell the old machines

The new one would fit our systems

TAMPERE UNIVERSITY OF TECHNOLOGY

cost
management
center

Findings

Actors communicated operational challenges and relevant accounting facts to each other. The first accounting prototype (boundary object) enabled joint accounting fact construction and communication.

New facts and possibilities were taken into account in the second accounting prototype, further decreasing the operational distance between the departments.

Less emphasis was now placed on active communication, since actors' facts and possibilities were more precisely included in the second accounting prototype.

The need for fact construction and communication emerged $\longrightarrow$ **Development of accounting prototype 1** & "sending greetings" to other departments via interventionist researchers $\longrightarrow$ **Development of accounting prototype 2** & building scenarios to elaborate on the effects and requirements of the production ramp-up

TAMPERE UNIVERSITY OF TECHNOLOGY

6

Findings

- Dealing with inter-actor/inter-functional boundaries is crucial in accounting development.
- The boundary subjects were fundamental in choosing, constructing, elaborating, and communicating accounting facts.
  - Accounting prototypes integrated new accounting facts (greetings from/to different actors)
  - The boundary subjects mitigated the boundaries
  - The boundary objects focused and restricted communication about accounting facts

Discussions & Implications

- The paper tests the pragmatic constructivism approach by examining accounting enactment under uncertainty and ambiguity.

- The study refines pragmatic constructivism in terms of boundaries, boundary subjects as actors, and boundary objects.

- The intentional use of boundary subjects and objects as communication platform could push a more active inclusion of business controllers as active business partners.

cost management center

Ability for profit

Tampere University of Technology
Department of Industrial Management
Korkeakoulunkatu 8, P.O. Box 541
FIN-33101 TAMPERE, FINLAND
http://www.tut.fi/cmc/