The translation of accrual accounting and budgeting and the reconfiguration of public sector accountants' identities

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\textbf{1. Introduction}

“Our cash accounting goes back to organisational principles of the Prussian State. […] It was tailor-made for the public sector and has worked for centuries. It is a successful model in the public sector. […] As Beamte [i.e. German for civil servants] we have all sworn an oath that we will serve for the good of the nation and that we will honour justice and law. We will therefore support the new system. […] [However], there is a certain scepticism among myself and my colleagues.” (PSA-5)

The above thoughts were expressed in an interview with a PSA who has worked with AOBB\textsuperscript{1} for several years and they indicate that reflections on his occupational tradition make it hard to fully accept it.

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Taking the perspective of individual PSAs, we contribute to the literature on AOBB which reflects a controversial debate. Several authors argue that the track record of AOBB implementations lags behind expectations (e.g. Lapsley, 2009), and others, such as Carlin (2005) and Groot and Budding (2008), raise a technical debate about the pros and cons of AOBB compared to cash-based accounting and budgeting. Lapsley and Pallot (2000), like Caccia and Stecchini (2006), Horton (2006), and Guthrie (1998), question the underlying reasons for the reforms and point to a limited impact of the reform in practice. However, the reform poses a challenge for PSAs has not been much explored, nor sufficiently understood.

Given this paucity of prior research, we follow an actor–centric view in order to enhance our knowledge of the interaction between AOBB and PSAs and seek to discover common identity patterns among key accounting employees. To this end, we borrow from Callon’s (1986) work on the sociology of translation to analyse the introduction of AOBB in two German states, which allows us to examine the effects of the new accounting and budgeting ideas on accountants’ identities. We place particular emphasis on practicing accountants and how their identities were funnelled – sometimes quite problematically – through the obligatory passage point (OPP) of AOBB as it was implemented. Our findings from the two states illustrate that PSAs are not one entity that reacts homogeneously to the reform, but rather that they consist of four different groups which vary according to their reactions towards AOBB. We further demonstrate that these groups have different characteristics and that their age and practical experience with AOBB are conditions of the reconfiguration of their identities. Through our comparative analysis of the two sites, we are further able to discuss the role of devices in securing the enrolment of PSAs into AOBB and outline how these depend on the complexity and the trajectory of each state’s reform project.

The paper is organised as follows. In the next section, we review the literature on AOBB implementations, look at previous studies that take an identity view on NPM which motivate our study of PSAs’ identities, and present the chosen theoretical framework. The third section describes our research method, and the fourth structures the findings of our empirical study according to the four moments of translation. The fifth section offers a discussion, while the sixth section concludes the paper.

2. Identity and public sector accounting reforms

Research exploring aspects of AOBB reforms has been ongoing for several decades, and many publications have been dedicated solely to summarising this discourse (e.g. Broadbent and Guthrie, 2008). Empirical research explores what factors facilitate or hinder the introduction of AOBB (e.g. Anessi-Pessina and Stecchini, 2007) and analyse the degree to which the expectations of its effects have so far materialised in practice (e.g. Groot and Budding, 2008; Kober et al., 2010). Some studies find that the benefits of introducing AOBB are rather unclear for the affected employees and that the new information is neither used nor desired in practice (e.g. Connolly and Hyndman, 2006; Jones and Pugliisi, 1997). Other studies argue that the usefulness of accrual accounting techniques depends on the user groups and their roles (e.g. Kober et al., 2010; Paulsson, 2006). While most of this literature does not pinpoint why such views occur, it discovers further that the reform entails various downsides, such as intense work and massive cost (Ezzamel et al., 2013; Connolly and Hyndman, 2006). This resonates with studies that show that implementations of accrual accounting techniques are often difficult (e.g. Carlin and Guthrie, 2003; Guthrie, 1998) and that the envisaged effects of reform are only realised in part or not at all (Ezzamel et al., 2013; Connolly and Hyndman, 2006; Mellett, 1997, 2002). In sum, research often concludes that “not much enthusiasm … [is] found in favour of accrual accounting” (Groot and Budding, 2008, p. 10; similarly Liguori et al., 2012). The reasons for such outcomes, however, remain somewhat unclear; i.e. questions such as Why is acceptance low? or Why is the information not used? are rarely answered. In light of these results and the perceived pressing need to reform the public sector, the quest for the best public sector accounting method is ongoing. While the discussion continues to be controversial, we assume – as a starting point – that AOBB does not integrate into public organisations as smoothly as expected.

Against this background, in the accounting literature “little attention has been paid […] to the repercussions arising from the shaping and reshaping of identities” (Skærbæk and Thorbjørnsen, 2007, p. 247; Haynes, 2006) for organisational members. For the private sector, some research has explored the identity of management accountants (e.g. Ahrens and Chapman, 2000) or public accountants (e.g. Gendron and Spira, 2010). Given its fundamental changes in recent years and the traditionally strong presence of occupational groups, identity transformation is especially relevant in the public sector (Thomas and Davies, 2005), which is also reflected in academic interest: Certain studies examine how reforms under the umbrella of NPM with its shift towards “accountingization” (Power and Laughlin, 1992) or business-like attitudes (Ter Bogt, 2008) have affected the identity of individuals in the public sector. In fact, some commentators even identify the deliberate reduction of autonomy as a central tenet of NPM in general (Broadbent and Laughlin, 1998; Hood, 1995) and of accounting systems in particular (Abernethy and Stoelwinder, 1995), or NPM as an “identity project” aiming at reconfiguring public sector employees’ identities (Du Gay, 1996a, 1996b).

In developing our study, we draw on ANT and its definition of identity. In this approach, identities are seen to be in continuous “translation” and change (Callon, 1986, 1998). Consequently, also the arrival of AOBB in PSA workplaces leads to a reconfiguration of accountants’ identities. PSAs’ occupational identity is substantially influenced by the change from the...
rather simple cash-based accounting and budgeting to the more complex AOBB, which becomes the new main principle PSAs work with on a daily basis. In a similar way, Skærbæk and Thorbjørnsen (2007) mobilise ANT when studying the interplay between Danish Defence officers’ identity and a new performance measurement system. ANT helps them identify the troubles the officers had with their emerging identity as managers, having to perform accounting tasks which resulted in unexpected additional efforts by the change agents in order to make their enrolment at least somehow possible. As we are also interested in the interplay between the programme of AOBB and the identities of accountants, we mobilise ANT’s definition of identity, which emphasises a dynamic nature and continuous change:

“In short, the actor’s […] objectives, interests, will and thus identity are caught up in a process of continual reconfiguration, a process that is intimately related to the constant reconfiguration of the network of interactions in which he or she is involved.” (Callon, 1998, p. 253)

In operationalising our examination of the translation processes of AOBB in two German states, we draw upon Callon’s (1986) four moments of translation (problematization, interessement, enrolment, and mobilisation) to understand the dynamics incurred when shaping the PSAs’ identities. In examining the emerging identity of PSAs, i.e. the roles and responsibilities that have been defined as a result of AOBB, the moment of problematization is drawn upon. Problematization helps examine the set of actors or allies that emerges out of a network construction and implies an “interdefinition of actors” (Callon, 1986, p. 204) involving all sorts of rhetoric in convincing the entities of the relevance of the OPP. An OPP is any core idea or programme like AOBB to which the actors are related, as in our case PSAs. Intersetment describes a group of actions that a certain entity exerts in attempts to bring the identities defined in the problematization phase to life. It is in this moment that devices are built and placed between the related set of actors in order to stabilise or “lock in” the actor’s performance of the role and responsibilities defined on their behalf. Examples of these devices are anything that confines actors such as systems, meetings with certain agendas, statistical graphs (Callon, 1986), trainings, and promotions but also someone else, such as consultants, who provide material (e.g. powerpoints and guidelines) or non-material instructions on how to carry out certain tasks and why. Enrolment is closely linked to the latter in that it describes the further actions of interessement that secure successful enrolment, for instance of PSAs into AOBB:

“To describe enrolment is thus to describe the group of multilateral negotiations, trials of strength and tricks that accompany the interessements and enable them to succeed.” (Callon, 1986, p. 211)

Uneasy enrolment is frequently accompanied by compromising and refined interessement meaning that if change agents do not experience sufficient enrolment, further interessement devices are required, for instance additional guidance or training in new job tasks, as a sort of compromise. The fourth moment, mobilisation, builds on the fact that in networks, it is often a few representatives who speak for and thus represent the “masses” (Callon, 1986, p. 214), and it comprises those methods that help actors ensure this representativeness. So, where initially problematization described “negotiable hypotheses on identity, relationships and goals” (Callon, 1986, p. 218), mobilisation describes a more stable and constraining network in which the represented masses, like the PSAs, agree with and accept their spokespersons as change agents. In this way, mobilisation is about examining failure and controversy over the representativity of the change agents, but is also an examination of whether actors develop into active supporters of the programme, and the conditions that allow such mobilisation to eventually take place. As this short summary of Callon’s (1986) ideas has shown, questions of identity are part and parcel of translation processes:

“Science and technology [i.e. accounting change] are dramatic ‘stories’ in which the identity of the actors is one of the issues at hand. The observer who disregards these uncertainties risks writing a slanted story which ignores the fact that the identities of actors are problematic” (Callon, 1986, p. 199; similarly Munro, 2009).

In reality, the ordering and shape of the four moments is less organised and messier than their chronological description may suggest here, and thus the moments may also overlap. For example, as AOBB develops, new unexpected events, like obviously wrong data being issued by the accounting system, may happen and disturb the enrolment of the PSAs. Mobilising this framework with its focus on identity, it is the purpose of this study to depict the dynamic processes of how PSAs’ identities are negotiated and delimited, thus moving from an uncertain and disputable identity to a more established state (Callon, 1986). Consequently, we pose the following research question: How did the devices involved in the introduction of AOBB reconfigure PSAs’ identities?

3. Research method

Overall, in German federal states (Länder), the introduction of AOBB is still in its infancy. However, as some states started the reform more than a decade ago, AOBB has already penetrated the organisational structures fairly well there. Our study was conducted in two German federal states, Hesse and Hamburg, in which the reform process has progressed farthest in comparison to other Länder (Budäus and Hilgers, 2009). Hesse and Hamburg offer interesting similarities and differences and are therefore attractive for a comparative study as the following sections will illustrate. In a nutshell, while the two states started from a similar initial position (see Section 4.1 e.g. regarding the overall political environment and similar habitual mindsets within administration) and had similar project aims (see Section 4.2 e.g. to achieve a more efficient use of resources and an increased service orientation) the two states differed in their change trajectories (Latour, 1988). Regarding
the components of its trajectory (Pollitt and Bouckaert, 2011), and diametrical to Hamburg, Hesse first focused on changing the budgeting process and only in a second step created an opening balance sheet. Concerning the process of implementation (Pollitt and Bouckaert, 2011), Hesse was more rigid and strict in the tone of its project communication and in general allowed less deviations from a once adopted path than Hamburg. Given that Hesse and Hamburg offer large similarities but at the same time differed among various dimensions which are relevant for our theoretical interest in the data as regards the translation of PSAs identities and the different choices and effects of interessement devices therein, we see these two states well suited for a comparative study.

To understand the reconfiguration of PSAs’ identities, we build on two different sources. First, our research relies heavily on official documents (e.g. parliamentary resolutions, reports informing the public) and archival sources (e.g. specification of new accounting rules, project concepts, guidelines) presented to the accountants in order to outline their responsibilities when performing AOBB tasks. Second, we conducted 36 semi-structured interviews from early January 2007 until late February 2009, aimed at reconstructing the overall processes of translation (see Table 1 for a summary). We met with the interviewees at a time when the core elements of the new systems had been implemented, but in their entirety had only recently been completed or were completed during our presence in the field. Given the long change processes and the fact that some important elements of the reform project had been implemented very early in the process, the interviewees therefore had years of exposure to the new system but were not yet fully accustomed to it. 23 PSAs were interviewed with the objective of obtaining knowledge about their identity transformation. The interviewees were either employed in ministries other than the finance ministry, or at lower levels in non-ministry domains (e.g. head of university budgeting). These PSAs are generally not part of the project group that centrally develops and rolls out the AOBB concepts. They are confronted with the new devices and asked to integrate them into their work and into their organisation. Our interviews were semi-structured and revolved around questions regarding the interviewees’ education, their tenure at current and previous employers, the changes AOBB caused for them and their co-workers, and how they perceived the implementation and effects of AOBB-related devices. All interviews conducted were transcribed. Thereafter, a synopsis was written for each interviewee in order to obtain a synthesised view on the interviewees’ reflections. Thereafter, we worked back and forth between the empirical data and the theory (Ahrens and Chapman, 2006) which was aimed at reconstructing the overall process of translation as well as the role of the different actors and devices with a particular focus on the interviewees’ narratives and how they experienced their problems with identity transformations. Based on our transcripts and the actors’ demographic data, Table 2 was created, which provides an overview of the individual PSAs we met. We also conducted interviews with six AOBB project group members who were predominantly employed at the finance ministry and were responsible for designing, implementing, and promoting AOBB. We included their views because they designed and implemented AOBB (interessement) and prepared and installed subsequent devices to further convince PSAs in case of controversy (enrolment). Finally, we also interviewed seven politicians, as this group was an important actor in the decision to launch the reform project. Politicians may mainly give their views on the initial phases (problematization, i.e. defining the project and their identities, but also interessement) of the change process as well as outline the expected and achieved changes within administration through AOBB. Also the interviews with the project group members and the politicians were semi-structured and we used the same methods as reported above in analysing these.

4. Reconfigurations of PSA identities during the translation of AOBB

In this section, the collected and synthesised empirical material is presented in accordance with Callon’s (1986) overlapping phases of problematization, interessement, enrolment, and mobilisation as outlined above. We report on the AOBB implementation projects for both states together and emphasise the differences and similarities between them. We begin with an outline of the major elements affecting the PSAs’ identity before the reform.

4.1. The situation before the introduction of AOBB

To understand the effects that the AOBB translations have on the identities of our interviewees, we take note of the fact that in Germany, the public sector is said to be moving from Weberian to neo-Weberian ideals of bureaucracy (e.g. Pollitt and Bouckaert, 2011). Another noteworthy German peculiarity is the special kind of public sector employment (Beamte), which establishes a life-long relationship between the state and the employee as well as provides status protection. The resulting Beamtenethos embodies values such as impartiality, neutrality, and a strong sense of duty. Further, the tradition of a Rechtsstaat implies a rigid hierarchy with governance through directives (Weisungsprinzip) as well as an administration that

<table>
<thead>
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<th>Function</th>
<th>Hesse</th>
<th>Hamburg</th>
<th>Total</th>
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</tr>
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</tr>
<tr>
<td>Total</td>
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<td>20</td>
<td>36</td>
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Table 1
Overview of respondents interviewed.
functions solely on the basis of laws (Legalitätsprinzip), which requires a strong legal focus in the training system (Derlien, 2003).

In this environment, there is probably no other entity whose identity was influenced more by cash-based accounting and budgeting than PSAs, as it had been the central instrument of their workplace for a long time: In the cash-based accounting and budgeting world, the PSAs’ main responsibility was ensuring that the budgets approved by parliament were set up properly, and that variance analyses were complete and correct. Thus, the PSAs’ core activities in the traditional setup were

The interviewed PSAs

<table>
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<tr>
<th>No.</th>
<th>State</th>
<th>Age</th>
<th>Years in current position</th>
<th>Years over all work experience</th>
<th>Years worked in public sector</th>
<th>Higher education degree?</th>
<th>Majors in studies</th>
<th>Trained inhouse</th>
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* All data displayed in this table are self-reported by the interviewees. However, the numbers have been rounded off in order to preserve the interviewees’ confidentiality.
As outlined above, about two decades ago it was widely debated across the globe whether and how private sector financial management instruments should be implemented in the public sector (Hood, 1995; Osborne and Gaebler, 1992). Also in Germany, the NPM-programme received attention, and this led to a particular German variant of NPM named Neues Steuerungsmodell, which found great resonance on the local government level, but later also on the state level of the Bundesländer (Vogel, 2009; Bogumil et al., 2006). Against this backdrop, and regarding accounting and budgeting techniques, a ‘modernising’ amendment to the federal Budgetary Principles Act (Haushaltsgrundsatzegesetz) was passed in 1997 (the Budgeting Reform Act, Haushaltsrechtsfortentwicklungsgesetz), which basically established that in addition to the cash-based system, an accrual-based system could be used (Deutscher Bundestag, 1997). The various German states have since dealt with the implementation of AOBB in different manners and at different paces, and Hesse and Hamburg have been most eager. An overview of the chronological events in these states is presented in Fig. 1.

In the early 1990s, there was sufficient political support for launching AOBB pilots in both states. According to our archival search, the decision was relatively uncontroversial in both cases (Hessischer Landtag, 1998; Bürgerschaft der Freien und Hansestadt Hamburg, 2004). Once the intent had been formally expressed in parliament, an operational project group consisting of internal employees and consultants was set up. Even though there were differences as to how the reform was implemented, accounting employees were in both cases exposed to a system that was fairly predetermined in its most important dimensions, and had to integrate this into their occupational environment. The tasks that PSAs are to perform under the AOBB regime differ significantly from the traditional cash-based ones. Using AOBB, PSAs have for example to maintain asset and depreciation tables or link the inputs to administrative outputs. While the reader is referred to basic accounting literature for more details, we would like to emphasise here that the operational processes have been changed in many ways.

4.2. Problematization and interessement

When comparing project communication as the central element of problematization in Hamburg and Hesse, very different approaches can be observed. In Hesse, the project communication emphasised that the reform was a true step change for the organisation, which would necessarily result in resistance, especially by “inefficient” PSAs: Hesse’s central project group problematised AOBB by discrediting cash-based accounting and budgeting and by positioning it as “antiquated cameral budgeting”; this is evidenced for example in a letter by the head of the state chancellery to state employees (Hessisches Ministerium der Finanzen, 2003). The PSAs we interviewed claimed that very strong rhetoric was used in order to “attack” the old system. Such harsh juxtaposition caused problematic identification with the AOBB system and disturbed accountants who had used the system for quite some time: Various PSAs in Hesse expressed their lack of understanding of such “doom-mongering”. According to Hesse’s project group, an ideal “AOBB-trained PSA” was consistently positioned as the desired outcome of the reform project and as part and parcel of “ensuring sustainable administrative actions” (Hessisches Ministerium der Finanzen, 2003). Contrary to this approach, Hamburg’s official project communication used more cautious and less negative language in order to promote the introduction of AOBB. Especially in the beginning of the reform project and in formal settings, politicians and project group members in Hamburg established a positive link between AOBB and the city’s tradition of prudent Hanseatic merchants, thus positioning AOBB as a natural fit:

“Presence of trade implies presence of Hamburg” – this catchy quote summarises the tradition of Hanseatic merchants precisely. In the face of this heritage, it is not surprising that Hamburg takes the opportunity to put its public finances on a more sustainable basis and introduces accrual budgeting and double-entry bookkeeping as one of the first federal states.” (Stadt Hamburg, 2006)

In contrast to the approach in Hesse, this formal framing of the reform as a natural continuation of the city’s heritage and history was aimed at making the changes demanded of the PSAs less troubling and enabling smoother project progress. What was common to the problematization in Hesse and Hamburg respectively was the governments’ introduction of AOBB as a major programme that would enable a more efficient use of resources, which, together with increased service orientation,
was proposed as one of the major motivations for the introduction of NPM in Germany (Banner, 2008). This problematization was effective, since both states were facing high debt levels.

Fig. 2 depicts the network constructed around AOBB as an obligatory passage point in the two states. The graphics show several noteworthy similarities, especially regarding the role of the PSAs, but also differences such as the importance of external consultants during implementation.

Regarding the moment of interessement, we observed that politicians in both states made PSAs the central entity of AOBB and thus responsible for increasing public sector efficiency, whereas they themselves seemed quite reluctant to acknowledge that they should also be affected by change. In both Hesse and Hamburg, politicians repeatedly argued – despite the more positive official communication in the latter – that administrative employees were inefficient and that resisting the implementation of AOBB would serve as even further evidence of this inefficiency:

"Reforming public accounting automatically gains in acceptance simply because it implies using superior concepts from the private sector in the public sector. In the background, the bottom line always is: Administration is inefficient. This was always the underlying assumption that may not have been spoken out so loudly but which resonates in the debates." (Politician, Hamburg)

Presenting PSAs with such negative views on their identities as well as suggesting that it was the PSAs' inefficiency which constrained the administration and that resisting the implementation of AOBB would serve as even further evidence of this inefficiency, seemed to be an effective device of interessement.
In addition, project management in both states offered a vision for an ideal managerial identity that would be the outcome for PSAs. In Hesse, for example, a number of official project documents with a positive pitch were distributed within the organisation. They deliberately sought to interesse PSAs by outlining potential motivations and “opportunities” to support AOBB:

“[PSAs will get] more direct responsibility, more scope for design, more flexible work processes, opportunity for development, reduction of hierarchy, more motivation.” (Hessisches Ministerium der Finanzen, 2003)

Clearly, such new and more managerial practices and identities that offer notions of empowerment and more responsibility to PSAs are almost the opposite of the traditional PSA practices and identities outlined in Section 4.1. At the same time, this form of seduction can be regarded as an interessement device that serves to convince PSAs to subscribe to AOBB.

To further stabilise the AOBB implementation, project management installed not only consultants but also other supporters wherever possible:

“When the project was started, they looked for people who knew about accrual accounting. Of course, a bank apprenticeship is a huge advantage in this regard. So I was given the chance to reactivate my old knowledge. […] I am a real advocate of the system, not only because I have a great passion for it from my previous occupation, but also because I am convinced of it.” (PSA-1)

In order to address any lack of qualification, one focal point of the implementation projects in the two states, and of NPM in Germany in general (Klages and Löffler, 1998), was therefore to ensure that the necessary skills were built through training (e.g. Stadt Hamburg, 2003). While the programmes included on-the-job training for PSAs independently of their age, special focus in Hamburg was put on training the youngest colleagues in AOBB. One may view this to be a device of long-term interessement aiming to ensure that the new hires were more attuned to AOBB. Even though training was used as a central device to drive the reform forward, however, in certain units only rather limited training was available.

In sum, regarding problematization, the tone of project communication, the signalling of commitment, and the ways of building credibility differed substantially between the states while the situation at the outset and the expressed aims of the reform were alike in the two states. Regarding interessement, there were more similarities. While AOBB clearly introduced conflicts with the traditional PSA identity, the new target identity was positioned as a great opportunity in both states. At the same time politicians expressed mistrust towards PSAs, in either formal (Hesse) or informal ways (Hamburg).

4.3. Enrolment and mobilisation

While the translation of AOBB was generally problematic in both states, PSAs encountered more challenges in Hesse. According to the interviewees we met, the combination of a very sophisticated AOBB concept and rigid project management led to more frustration and irritation for the PSAs there. For example, in Hesse it was initially obligatory for every major organisational unit to use Balanced Scorecards and transfer prices for internal services as well as to frequently provide detailed variance analyses. Two quotes illustrate that these latter reports generated a lot of extra work for the PSAs, while the prevailing impression was that management did not make use of these documents.

“In our quarterly reports every deviation above 10% has to be commented on. The 10% are irrespective of whether the absolute amount is 600 Euro or several millions. That does not make any sense!” (PSA-3)

“Our reports, complex piles of papers, have to be approved by our management. The approval happens within hours. However, I guarantee you that they only touched the pages that require signatures. […] It feels like working for the trashcan.” (PSA-6)

We hypothesise that when making a decision in favour of a complex AOBB concept, trust in external consultants and ERP providers was stronger than was faith in the PSAs. The following quote illustrates both the perceived mistrust and how ‘over-engineered’ the new system was:

“Our reference numbers have 14 digits, and before there were just 5. Then you entered a title, the amount, and the respective year. To account for such in the accrual world, there is a whole lot more information that needs to be entered into the system. Just as an example of how much more work we have now. The management ignores this extra workload because consultants assured them ‘You save money with accrual accounting’. Of course then they argue that it is impossible that we will get more personnel. That means that everything needs to be done with the current headcount. […] So we draw up and consolidate the balance sheets with just two people. […] And then the auditors come in a team of ten and interrogate us!” (PSA-5)

The quote also shows how PSAs are ‘locked in’ on their new roles, not only by consultants but also by external auditors sent to ensure proper use of AOBB. Against the backdrop of heavy complaints by the PSAs, the project management in Hesse decided to make concessions and relax certain requirements such as the Balanced Scorecards, transfer prices, and detailed variance analyses that had initially been labelled “obligatory”. We believe that this step was taken to avoid that the reform got out of control.
“We suggested optimising certain conceptual issues in our reform project. […] We basically proposed to advance more slowly and include less obligatory elements. For example, from now on the Balanced Scorecards are optional.” (AOBB project group, Hesse)

Also in Hamburg there were a number of negotiations between disturbed PSAs and project management. For example, the PSAs’ claim that resources were too few was intensely discussed by the project management and even in parliamentarian committees. This led to further resources being freed for additional training and staffing. Nevertheless, as the following quote exemplifies, the AOBB concepts may have also been too complex, especially for poorly or less qualified PSAs:

“We had accountants in the departments who were really not all trained well enough; they simply did not know what to do. Some of them were not even able to complete a single set of transactions! And after they had training, they still were not able to do it.” (PSA-16)

This indicates that enrolment was impeded by the complexity of the system. Overall, including concessions made, enrolment appeared to be more troublesome in Hesse than in Hamburg, where they more actively sought to install additional interessement devices prompting doubtful PSAs to at least consider enrolling into AOBB.

In general, we were able to identify three devices used by the two governments and the project committees which served to better enrol PSAs. The first of these devices aimed at embedding the AOBB programme better into organisational routines and processes (i.e. through meetings and the circulation of cost centre reports). The following quote underpins our observation regarding the integration of AOBB into organisational practices as a device of further enrolment.

“This is a major advance! […] Now cost centre managers come to us and object if invoices have been incorrectly recorded. […] Just this morning we had an appointment with the minister where we presented our reports! […] And before our monthly meetings with the minister we get calls from department heads to verify numbers because they are afraid that the minister will ask inconvenient questions.” (PSA-2)

Overall, respondents felt that this additional organisational exposure improved their standing internally. In order to support enrolment and mobilisation, also the second device, financial and/or career benefits, appears appropriate. As interviewees mentioned, the prospects of receiving additional funding and manpower generated interest and willingness to engage in AOBB already at an early stage of the reform. In addition, the enrolment of PSAs into AOBB was facilitated for those who had opened up to AOBB, because there were increased chances of being promoted:

“I am just guessing how old he is. Around 40. That means he has an age where he can figure out himself that this topic will become more important – irrespective of his future role. That is why he is committed to the system.” (PSA-15)

Finally, the third device applied was the creation of new positions and/or reconfiguration of previous positions, which is significant for the involved employees. As an example, the project committee in Hamburg created so-called “BI Chiefs”:

“The BI Chief has to know both credit and debit and also be an expert on the technical side. […] So there is a new job. […] Some of the ‘cameral accountants’ become management accountants, some BI chiefs, some asset accountants, some cost accountants. The former job is transformed into one or more jobs.” (PSA-16)

Overall, these three tactics were used as additional interessement devices to succeed in enrolling the PSAs, in particular because they were aimed at increasing their status.

As the evidence presented in various instances shows, there were broad patterns in the PSAs’ enrolment and mobilisation, which empirically have also been mentioned in other studies of public sector reform such as in Norway (e.g. Berg, 2006). On the one hand, as mentioned above, some PSAs consented immediately without discussion. Others, who were in favour of AOBB from the beginning or became so over the course of events, even developed proprietary tools that helped in the implementation and were thus mobilised even as active supporters of the reform. Yet other PSAs were rather sceptical towards the benefits of AOBB or against change in general, but nevertheless did what was asked of them. At this point, we return to the quote at the beginning of this paper, which illustrates this kind of nuanced support and already makes it clear that even if enrolment takes place, the implications for PSAs may be troublesome. Further, as evidenced by one of our interviewees, there were also PSAs who were not ready or willing to adjust to the new AOBB system. Rather than remaining in their positions and obstructing the reform, they changed to new positions in order to escape the reform and to avoid the stressful reconfiguration of their identities (for a similar finding in a French context, see Jeannot, 2006):

“I have another 3–4 years to go and I want to escape the daily hassle. The change process has gained in speed over the last years. […] I just have problems with the stress and the tempo, and when offered the chance to switch jobs, I said ‘Yes’.” (PSA-17)

In terms of ANT, these employees were not successfully enrolled since they departed from the network.

To summarise, regarding enrolment and mobilisation, the cases of Hesse and Hamburg differ in certain dimensions. Certain elements of Hesse’s initially sophisticated AOBB concept (e.g. Balanced Scorecards, transfer prices, and detailed variance analyses) were unsuccessful as interessement devices. Thus, they were no longer demanded as mandatory in order to continue with the implementation of AOBB as the reforming actors realised that their initial intentions might have overly strained the organisation. Hamburg had to invest into additional interessement devices to ensure enrolment, yet the
consequent training and supplementary staffing was put into place as an addition to the original setup. Regarding the mobilisation of actors as active supporters and sceptics of the reform as well considering the number of defectors, Hesse and Hamburg were rather similar. It is these differing reactions of individual PSAs to the same programme that encourage us to discuss the underlying reasons below.

5. Discussion

This paper’s objective is to study PSAs’ identity reconfiguration based on the translation of AOBB in two German states. To summarise, the cases of Hesse and Hamburg have shown that neither of the two cases of AOBB implementation was smooth and that both change processes presented a huge challenge to the involved entities, which mirrors the literature from other contexts (e.g. Ter Bogt, 2008 for the Netherlands). Further, the strong reliance on consultants (e.g. Christensen, 2007; Lapsley, 2009) and an increasing workload with decreasing internal resources (e.g. Berg, 2006) are also issues reported from other jurisdictions’ NPM implementations. In the two German states, the initial objectives were only met to some extent: It appears as if the more technical objectives, such as the reflection of government’s long-term liabilities in financial jurisdictions’ NPM implementations. In the two German states, the initial objectives were only met to some extent: It seems as if the more technical objectives, such as the reflection of government’s long-term liabilities in financial statements, were more easily reached than were the objectives related to changing behavioural or managerial patterns, such as establishing result-oriented thinking or increasing accountability (Stadt Hamburg, 2009). We saw that during problematization and interessement, politicians and the project committee positioned PSAs as a major entity of the AOBB reform, having the important responsibilities of performing many of the bookkeeping tasks that accounting and budgeting rely on. Our accounts of the two states’ translations of AOBB demonstrate that as a result of this, attempts to reconfigure identities have been different for the individuals involved. As such, PSAs have developed various attitudes towards AOBB over the course of the translations.

This section discusses the challenges and outcomes of the reconfiguration of the PSAs’ identities that we found across the two translations. We demonstrate how actors are not “atoms, but receive[e] identity […] through [their] relations to other (human and non-human) actors” (Justesen and Mouritsen, 2011, p. 176) and thus highlight the dynamic relationship between the translation processes and changes in PSAs’ identity. Through an analysis of the accountants’ various reactions to the changes, we are able to derive common identity profiles based on interviewees’ educational, occupational, and organisational histories. Before we do so, we report two conditions of identity reconfiguration which underlie these profiles and which influence PSAs’ interest in AOBB and the way they enrolled into AOBB. Overall, the derived abstractions of the conditions and the PSA identity profiles emerged in similar ways in the two states.

Quite intuitively, the age of an accountant is the first observed condition that seems to influence the accountants’ attitude towards AOBB:

“For older employees the change will either take long or not happen at all. People who have practised cameralistics for 20–30 years won’t change in their last five years. […] The 25–30 year-olds of today have grown up with this, undergone different training and thus handle the tools differently.” (PSA-3)

Similar to this PSA from Hesse, counterparts in Hamburg also recognised the fact that an individual’s age plays a major role whether PSAs enrol into AOBB and are open to reconfigure their identities or not. The interviewee quoted below, however, a 60-year-old PSA from Hamburg, illustrates that an attitude may actually change over the years:

“I was actually not very convinced three to four years ago. But as of now I am rather convinced that also in the public sector we need to show things like the financial value we add.” (PSA-17)

The relevance of age in the construction of the identity of PSAs towards AOBB is consistent with literature (e.g. Skærbæk and Thorbjørnsen, 2007; Weick, 1995) that argues that younger employees welcome changes more since they see opportunities for promotion and/or may have sufficient educational background or willingness to acquire the required knowledge.

A second condition is the amount of experience with AOBB, be it through formal training or through practical experience with AOBB (predominantly in the private sector). We discover the following emerging tendencies: Surprisingly, a degree in business does not seem to make PSAs more open to enrol into AOBB, which means that the interviewees formally best qualified to adopt AOBB can be strong sceptics. Yet, this seems to be different for individuals having hands-on experience with AOBB in private-sector practice, since this appears to promote agreement with AOBB. The latter seem either to be already equipped with an occupational self-understanding that is more inclined towards AOBB, or to be more open towards embracing the new practices and integrating them into their identity. We pointed out above that none of the PSAs we interviewed was a chartered accountant with applied training. As we believe that many of the uncertainties faced in the process of reconfiguration result from insecurity regarding the final objectives of the reform and their own responsibilities in it, it seems likely that more PSAs with such training will improve the odds of successful enrolment. Our findings resonate well with the results of a study by Meyer and Hammerschmid (2006) conducted in Austria. They find that young age and previous experience in the private sector increase the probability that public sector employees will embody a more managerial identity, whereas a business degree does not.

According to our study, the above mentioned conditions of identity reconfiguration (age, experience with AOBB) are among the most relevant parameters influencing the identities of PSAs towards AOBB. However, as outlined below, the process of the emergence of identity profiles is more complex and multi-faceted.
During implementation, the support of AOBB emerged differently in various groups of affected PSAs. To account for this, we searched for comprehensive patterns in their narratives and saw four identity profiles emerge. These profiles are described in Table 3.

The profile of a Proven AOBB Accountant strongly correlates with the amount of experience with AOBB as outlined above. To illustrate this, all of the members of our study having this profile had had intense prior contact with AOBB either through former employment in the private sector or in government-owned companies, or by having worked as a member of the AOBB project group before they were hired for their current position. In our interviews, Proven AOBB Accountants claimed throughout that there was little or no doubt that introducing AOBB in the long run would be a net benefit for the state and the administration, and their criticism was limited to certain smaller implementation-related issues. Some respondents even framed their support to AOBB by saying that it allowed them to meet certain traditional administrative principles such as efficient use of resources. We conclude from this that for them, there was no conflict between adhering to Weberian principles and embracing AOBB practices. All Proven AOBB Accountants openly stated that they fully supported AOBB. From an ANT perspective, this group of PSAs seemed to have quite easily accepted their new responsibilities of AOBB or even have been mobilised as active supporters, and at the time of our interviews there was no perceived need for refining the existing devices, or circulating additional ones to stabilise their roles.

Like the Proven AOBB Accountants, Ascendant AOBB Accountants are in agreement with the reform and state this clearly. In addition, the accountants we met had the common trait that they still had not reached the peak of their career. Those who had recently left university reported to have been infused with AOBB conceptions. Others had left school several years ago. These PSAs, in analogy to the civil servants at the time of Machiavelli, can be characterised by resisting the introduction of AOBB to some degree and passively following instructions doing no more than what is required of them, but in the end being too weak to defend their doubts publicly and subscribing to the system after some time. In our category of Lukewarm AOBB Sceptics, PSAs are in the second half of their career, act like chameleons – either for tactical reasons to avoid being pointed out as a problem maker or due to genuine insecurity towards a better concept – and avoid voicing a clear opinion for or against AOBB. Some individuals who represented Lukewarm AOBB Sceptics clearly pointed out that they were against AOBB. Seen from an ANT perspective, in their cases the AOBB project managed to enrol them in a way that would keep them silent and “do what is required [as] it is not our job to question the reform” (PSA-7). Since interviewees were more prone not to voice criticism publicly in Hesse than they were in Hamburg, it can be argued that the project in the former managed to circulate devices that exerted more pressure on PSAs to follow the reform. The Lukewarm AOBB Sceptics avoid taking a clear stand. Depending on the audience they are talking to, they will speak and act in favour of one direction or the other.

Lastly, the Outspoken AOBB Sceptic is the least supportive of the reform. S/he is a seasoned cash-based accounting professional, who – given her/his Weberian imprinting – has conceptual doubts whether AOBB is compatible with the public

Table 3
Identity profiles of PSAs.

<table>
<thead>
<tr>
<th>PSA identity profile</th>
<th>Interests/objectives</th>
<th>The relevance of AOBB</th>
<th>Conduct</th>
<th>AOBB experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven AOBB Accountant</td>
<td>Use tools perceived best to fulfil accounting tasks and maintain narrative of</td>
<td>AOBB is essential element for improving public sector</td>
<td>Performs AOBB-related tasks as they come</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>contributing change agent</td>
<td>management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ascendant AOBB Accountant</td>
<td>Extend career prospects supporting AOBB</td>
<td>AOBB is potential vehicle to further career</td>
<td>Performs AOBB-related duties beyond what is required</td>
<td>No</td>
</tr>
<tr>
<td>Lukewarm AOBB Sceptic</td>
<td>Perform the tasks without too much energy</td>
<td>Importance of AOBB is overrated: it produces a lot of extra</td>
<td>Does what is required in order avoid conflicts with AOBB-</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>work that does not come with extra compensation</td>
<td>proponents</td>
<td></td>
</tr>
<tr>
<td>Outspoken AOBB Sceptic</td>
<td>Preserve the cash-based accounting system and avoid exerting effort for</td>
<td>AOBB can potentially produce wrong decisions. Would rather</td>
<td>Does what s/he is instructed to do</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>accounting change</td>
<td>seek early retirement</td>
<td>but has no fear of raising AOBB-criticism openly</td>
<td></td>
</tr>
</tbody>
</table>

"It must be considered that there is nothing more difficult to carry out [...] than to initiate a new order of things. For the reformer has enemies in all those who profit by the old order, and only lukewarm defenders in all those who would profit by the new order, this lukewarmness arising partly from fear of their adversaries, who have the laws in their favour; and partly from the incredulity of mankind, who do not truly believe in anything new until they have had the actual experience of it." (p. 21)

These PSAs, in analogy to the civil servants at the time of Machiavelli, can be characterised by resisting the introduction of AOBB to some degree and passively following instructions doing no more than what is required of them, but in the end being too weak to defend their doubts publicly and subscribing to the system after some time. In our category of Lukewarm AOBB Sceptics, PSAs are in the second half of their career, act like chameleons – either for tactical reasons to avoid being pointed out as a problem maker or due to genuine insecurity towards a better concept – and avoid voicing a clear opinion for or against AOBB. Some individuals who represented Lukewarm AOBB Sceptics clearly pointed out that they were against AOBB. Seen from an ANT perspective, in their cases the AOBB project managed to enrol them in a way that would keep them silent and “do what is required [as] it is not our job to question the reform” (PSA-7). Since interviewees were more prone not to voice criticism publicly in Hesse than they were in Hamburg, it can be argued that the project in the former managed to circulate devices that exerted more pressure on PSAs to follow the reform. The Lukewarm AOBB Sceptics avoid taking a clear stand. Depending on the audience they are talking to, they will speak and act in favour of one direction or the other.

Lastly, the Outspoken AOBB Sceptic is the least supportive of the reform. S/he is a seasoned cash-based accounting professional, who – given her/his Weberian imprinting – has conceptual doubts whether AOBB is compatible with the public
sector at all. So s/he is seriously distressed to reconfigure his or her occupational identity and enrol into AOBB. The Outspoken AOBB Sceptic’s antipathy is enforced by a fear of loss of recognition for expert knowledge and the reform’s unfavourable cost/benefit ratio. However, compared to the Lukewarm AOBB Sceptic, the Outspoken AOBB Sceptic does not hide her/his concerns. For Outspoken AOBB Sceptics with responsibility for staff, however, this openness to voicing doubts will sometimes bring them into conflict with their management role if they assume one. Devices installed by project management seem to be unsuccessful for the enrolment of the Outspoken AOBB Sceptic and s/he takes a clear stand for the traditional cash-based way of doing things. Supporting her or his view with numerous convincing examples, s/he tries to convince her or his colleagues and management and thus to destabilise the reform. While performing the responsibilities s/he only does what is absolutely necessary.

The above identity profiles show that the identity of PSAs is quite faceted with respect to their attitudes towards the AOBB reform. This may challenge prior research, which at times, and maybe in an overly reductionist manner, assumes that certain reforms are generally welcomed (or rejected) across certain professions or occupations (e.g. Potter, 1999). In our study, multiple identities emerged even among members of the same occupational profile. Thus, our study differs from previous accounting studies on identity formations. Whereas extant studies analysed how certain actors such as doctors (Kurunmäki, 2004) and defence officers (Skærbæk and Thorbjørnsen, 2007) were sought to perform two job related identities, and what resulted in “hybrid identities”, our study examines instances where one type of identity was sought to be replaced by another. Even though the former do not exclude the possibility of the emergence of different groups as particularly in Skærbæk and Thorbjørnsens’ (2007) study of defence officers, our study shows how in the process of replacing one identity with another at least four different subgroups of the general group of accountants emerged. In addition to Latour (1991), who shows gradual enrolment to be an effect of more and more devices being circulated, we suggest here that an emphasis on different (and perhaps changing) groups and how they react to the various devices can deepen our insights into the problems of enrolment. Thus, it is difficult to talk generally about resistance, and it has to be acknowledged that there are typically different types of actors with different views towards change. Our study adds to the literature that seeks to nuance our understanding of the effect changes have on different individuals even though they belong to the very same group.

6. Conclusion

This study has set out with the purpose of shedding light on the reasons for divergent and unexpected outcomes of accounting reforms in the public sector given that the extant literature and the predominantly technical perspectives it adopts problematise this insufficiently. In doing so, this study has focused on the interplay between public sector accounting change and individual PSAs. By studying the translation of AOBB in two federal German states, our particular interest lay with the challenges PSAs face when they are to enrol into the reform and the repercussions this has for their identities.

This study shows that PSAs have found different ways not to perform their responsibilities to perfection, and we attribute this partly to the long tradition of cash-based accounting and to a strong Weberian civil servant habitual mind-set, which includes following rules and instructions to the letter. While on the one hand this mindset provided for the fact that there was no project stagnancy and that AOBB was not openly resisted (for example in the case of the Lukewarm AOBB Sceptics), it was, on the other hand, this mindset that alienated PSAs regarding AOBB and prevented many from developing enthusiasm or proactivity: as our four identity profiles show, only some of the PSAs came to share the proposed identities uttered by the reform which would have implied becoming motivated, entrepreneurial, and responsible actors of an efficient use of resources and an increased service orientation in the public sector. Even fewer of them integrated AOBB as an opportunity for their personal development. The more sceptical PSAs were reluctant to subscribe to the reform being frustrated by the large amount of additional work and a perception of irrelevance of the AOBB reform. In addition, the PSAs were forced into a very constraining set-up with consultants and auditors who checked their performances, particularly so in the state of Hesse. This illustrates Latour’s (1991) point about how certain devices can modify and transform an actor’s attitude from a moral obligation (i.e. having to do something that does not come natural) into one where actors surrender to a programme and are “happy” to carry out a task (p. 104). The consultants or the Balanced Scorecards as a mandatory element in Hesse are examples of how several devices were not able achieve such transformation. By and large, we are not able to portray enrolment of accountants as being overly successful even though in Hamburg enrolment among accountants was more successful than in Hesse. For instance, certain PSAs in Hamburg, despite a long exposure to the cameral world, were convinced by the reformers’ reference to the city’s tradition of prudent Hanseatic merchants and stated that AOBB may be a more suitable instrument for reducing public spending than cash-based accounting and budgeting.

Overall, while we certainly do not seek to make a normative argument about the outcome of the reconfiguration of the PSAs’ identities through the two states’ change programmes (Liguori and Steccolini, 2012), our four identity profiles of the Proven AOBB Accountant, the Ascendant AOBB Accountant, the Lukewarm AOBB Sceptic, and the Outspoken AOBB Sceptic evidence that change was not as initially planned. We propose that the age of the PSAs and their individual experience with AOBB can be important variables to understanding their deviation from prescribed identities and illustrate the continuous change efforts of the reformers to enrol more PSAs into AOBB.

Our study offers several contributions to the literature. First, in its major contribution, our study seeks to make visible how PSAs are not one entity that reacts homogeneously to the reform, but rather that they consist of at least four different groups with different responses and characteristics. While several studies hint to this issue for other professional groups in
the public sector, our study provides such evidence for public sector accountants where identities were not hybridised but instead, sought to be replaced.

Second, we add to an understanding of diverging outcomes to similar accounting change programmes in public sector reform. A recent study, for example, shows that the outcome of two accounting reforms may differ because of organisational level variables such as the dispersion of technical capabilities or the concentration of power (e.g. Liguori and Steccolini, 2012). With our interest in the reconfiguration of the identities of an accounting reform’s central stakeholder, our study offers to this literature a perspective of the individual level with an in-depth view of the differing reactions of individual PSAs.

Third, by mobilising Actor-Network-Theory and its concept of translation, we demonstrate how and with what effects a number of devices were put into place by the project management in order to achieve increased accountant enrolment into the reform. We thereby highlight the role of devices and their importance in trying to achieve enrolment of a reform’s stakeholders. The theoretical implication is that we, in contrast to other studies on accounting change (e.g. Hyndman et al., 2013; Liguori and Steccolini, 2012; Dent, 1991), emphasise less the importance of existing cultures but more how devices impact the emergence of groups of actors and their reactions to what they see and hear. These reactions were in different ways dealt with in the two states and point to the dynamics between actors and the devices that come to surround them.

Fourth, our study suggests that the subscription of PSAs to one of the profiles may change over time, which is evidence of an ongoing reconfiguration that can interrupt, prevent, or disturb a smooth reconfiguration of individuals into the positions constructed by the OPP. Importantly therefore, our results also point to the fact that continuous enrolment efforts by reformers may be necessary to convince stakeholders to subscribe to new reforms; in other words, we derive from our findings also the potential that once enrolled stakeholders may un-enrol from a reform under certain conditions.

Lastly, and drawing more on the comparative insights our study offers with its analysis grounded in two different settings, we observed in Hesse that a very ambitious reform concept including for example Balanced Scorecards had to be simplified in order to avoid that the reform situation got out of control. This indicates that PSAs could not be enticed by the promise of a sophisticated new system. Rather, and as seen in Hamburg, the enrolment of PSAs was promoted by simpler concepts and a number of voluntary elements which appeared more accessible to the individual PSAs. Our results also provide evidence for the fact that enrolment was eased by a more positive and reconciling communication in Hamburg.

Because we do not know whether AOBB is ‘better’ than cash-based accounting and budgeting we are not sure to be entitled to provide change agents with advice on how to improve the reform. A practical implication from our study is, however, that reformers and policy makers should not consider employees as just one group of people but be more sensitive to identifying differences in sub-groups of organisational entities brought about by individual characteristics. In particular, our study of accounting change in the public sector showed that the age of accountants as well as the level of their practical experience is important in explaining the enrolment of PSAs. In addition, we suggest investing into the design and circulation of devices which can transform actors’ attitude from a moral obligation into one where they become “happy” (Latour, 1991) subscribing to AOBB. In Hesse and Hamburg that has yet to be reached and in that sense the reform is not entirely stabilised or successful. What it would take to make accountants feel “happy” about their responsibilities we do not know, but a close engagement with the different groups and their concerns would be an empathetic effort of reformers, and despite potentially high costs it may in the long run lead to a more stabilised programme of AOBB. That Hesse reduced its ambitions (e.g. regarding the Balanced Scorecard) is just one example of how reformers can ease the burden on various entities by listening to them to secure higher levels of enrolment. All that we are sure of is that in general a programme (like AOBB) only exists as long as the work of gradual enrolment is continued. Unexpected events and problems may occur at any time and have the potential to decrease enrolment. In the accounting change literature it could be warranted to follow, perhaps in an even more systematic way, what kind of solutions, i.e. new smarter devices, can be successful in transforming some moral obligation into one where people become “happy” performing their responsibilities.

The study has several potential limitations. One limitation refers to the timing of our study. Naturally, our analysis was limited to a certain timeframe and thus, regarding our identity profiles, we do not make any temporal claims regarding the development of the identity profiles. Second, while we address a topic that has not been much touched upon in previous literature, we have focused on the identity transformation of one accounting reform entity. Even though our empirical approach was open to the influence of other actors in the AOBB network, we cannot preclude that a different focus might have led to different results. As an example, the role of consultants (e.g. Christensen and Skærbaek, 2010), the role of politicians (e.g. Liguori et al., 2012, 2009), or the audit court might be underemphasised in our study, and further research could stress these more to yield interesting insights. A third limitation concerns the identity profiles reported in this study. Naturally, the emergence of these profiles is contingent upon the empirical context. While we have sought to validate their occurrence by using various data sources and interviewees, we do not argue that these are the only identity profiles that exist. We want to stress that at least four profiles exist but that there may well be further profiles or sub-profiles in addition to the ones we propose.

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