

Systems, roles and relationships in the governance ecology

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ECOLOGY

ABSTRACT

The purpose of this paper is to explore how individuals perceive a management information and control milieu and how these perceptions influence the control practices. The paper is based on a case study of a public sector organisation. By applying the concept of role, we intend to contribute to the management control literature. Contrary to the formalised, top-down-inspired practices often found in the management control literature, we find that bottom-up forces play an important role in the management landscape and that signals can be faint yet still govern behaviour. We introduce the term “governance ecology” to illustrate the interplay among managers, other actors and structures, and to inspire further research into how structural and individual aspects of management control interact.

Keywords Agency; Governance case studies; Public sector and community leadership; Theories of governance

BACKGROUND

This paper seeks to contribute to the field of management control by providing a broader perspective on how control practices materialise in the interplay between managers, information systems and other actors. This is done by introducing the notion of *governance ecology*, an evolving assembly of a multitude of practices and information sources, rather than a unified, designed system. The governance ecology concept will be elaborated later on in the paper. Management control is commonly defined as formalised and aiming to influence behaviour (e.g., Anthony & Govindarajan 2007; Merchant & van der Stede 2003), i.e., essentially top-down, although it may be used also to “mobilise” (Nilsson, Olive & Parment 2011) the knowledge and wills of members of the organisation for achieving the organisation’s objectives. This top-down spirit is particularly reflected in the public sector, where New Public Management (NPM) is gaining ground. NPM emphasises output control, often quantitative measures of performance and rewards linked to these, and has the aim to augment efficiency and entrepreneurial spirit (Gualmini 2008; Hood 1991). Information is essential to management control, and is increasingly supported by systems and structures so as to better accommodate managers’ information needs, for example enterprise resource planning systems (e.g. Chapman & Chua 2003) and balanced scorecards (Kaplan & Norton 1996).

But how does management control relate to individual and interactive use of management information, less structured and streamlined yet recurring and observable? Do well-functioning such practices, as a form of self-control, obviate the need for management control? Simon (1991) describes organisations as “systems of interrelated roles”, where “roles tell organization members how to reason about the problems and decisions that face them: where to look for appropriate and legitimate informational premises and goal (evaluative) premises, and what techniques to use in processing these premises” (pp 126-127). Such roles and norms are social constructions, and keep on being constructed. Similarly, managers’ relation to information has increasingly been viewed not mainly as parts of their decision making (Barnard 1938; Simon 1947) or informational roles (Mintzberg 1975), but rather as

parts of sensemaking and managers' roles as co-constructors of meaning (Tyrstrup 2002; Weick 1995). Furthermore, scholars (Davenport & Prusak 1997; Preston 1986) have suggested that less formal, interpersonal aspects of informing in managerial roles will and should persist in spite of available formal information sources. Information must be managed *ecologically*; i.e., with a holistic approach that involves the integration of various types of information and above all people – not just structured reports and information systems (Davenport & Prusak 1997). Indeed, the formal information system and its proposed accounting and control structure may have little impact on management practices (Scott & Wagner 2003). Moreover, the term control has been criticised for being overly simple and linear, and the term *governance* has been used instead to encompass the complex array of both vertical and horizontal practices required to influence others' behaviour (cf. van der Meer-Koistra & Scapens 2008). A more systemic approach could thus advance understanding of what constitutes an information and control milieu.

Hence, there is reason to believe that the field of management control could benefit from being theoretically informed by other fields. Following Vaivio's (2008) line of reasoning, we aim to provide a counterweight to the view of management control as something designed top-down, by highlighting managers' own views of their information handling. We do this from a case-based, qualitative perspective, rather than from a survey-based, quantitative one (Burkert, Fischer & Schäffer 2011). The manager's own views can increase our understanding of the role of management control-related information in the total information and control milieu. Increasing the understanding of managers' own information practices appears necessary, considering their dependence on the management control infrastructure. To achieve this aim, we will draw on role theory, a concept that revolves around information and expectations and thus has a natural connection to management control. Therefore, we believe that the concept of role could be fruitfully applied to aspects of management control, especially how managers and others interact with each other and with formal and informal information systems, enacting what could be called a *governance ecology* – an information and control milieu that reflects both the formalised and the emerging, and both top-down, bottom-up and horizontal dimensions. The research question that we address is:

- How do managers perceive their management information and control milieu and how do these perceptions influence the control practices?

The paper is organised as follows. First, the main ideas of role theory and its previous application in management research are presented, together with a more thorough discussion of the notion of governance ecology. Second, we account for the method used in conducting the study. Third, we present the empirical findings of an exploratory case study. Then, the empirical material is discussed from a role theory perspective. Finally, we provide concluding remarks, along with implications for management control research.

A ROLE THEORY APPROACH TO MANAGEMENT INFORMATION AND CONTROL

The Concept of Role and Its Relation to Management Practices

The concept of role revolves around information and expectations and thus has a natural connection to management control. However, whereas management control practices mostly seem to convey expectations in a formalised, top-down fashion (e.g., Anthony & Govindarajan 2007; Merchant & van der Stede 2003) based on streamlined flows of information (Chapman & Chua 2003; Granlund & Malmi 2002; Kaplan & Norton 1996; Lindvall & Nilsson 2009; Mendoza & Bescos 2001; Olve 2009; Scapens & Jazayeri 2003), the concept of role allows for a more ecological approach to the information and control milieu. This will be elaborated below.

Each status held by an individual, be it teacher, mother or manager, is associated with a range of roles – *the role set* (Merton 1957). The construction of roles involves *role senders* (those who carry expectations about certain behaviour) and *role receivers* (those who are to behave in accordance with the expectations of the role senders). The process of sending the expectations to the role receiver can take various forms, e.g., instructions, information about rewards and penalties, and performance evaluation (Katz & Kahn 1978), thus reflecting the essence of management control as traditionally described in the literature. The process can have varying magnitude (strength of the influence attempt), specificity (extent to which expectations are concrete and detailed), intensity (extent to which the focal person can choose not to comply with the expectations) and legitimacy (ibid.), and may imply both positive and negative sanctions such as sympathy, appreciation, social exclusion and increased monitoring (Dahrendorf 1971).

Faced with the expectations of the role senders, the role receiver interprets and enacts on these. As indicated above, roles are not necessarily strictly defined, but allow a certain degree of freedom to innovate in response to the expectations (Fondas & Stewart 1994; Katz & Kahn 1978; Levinson 1982; Stewart 1982; Znaiecki 1982). Thereby the expectations may be modified, and so the scope of the role changes – *role making* (Katz & Kahn 1978), or *role enactment* (Fondas & Stewart 1994). Hence, roles emerge not only in response to various, sometimes conflicting, expectations from the environment, but also as a result of individual disposition and interpretations. From a management control perspective, such a variety of governing forces may seem interesting to bridge, yet could also be seen as important complements to each other.

The idea of individual effects on roles has been elaborated by Levinson (1982), who discards the assumption that roles would be uniform in a given position. For example, roles may stem from the individual's earlier experiences, education and values (ibid.). Individual characteristics such as intrinsic motivation (Katz & Kahn 1978), power motivation, achievement motivation and risk orientation (Fondas & Stewart 1994) have also been suggested in the literature. Environmental factors that have been put forward include organisational structure, policies and size (Katz & Kahn 1978), informal norms (Levinson 1982), mission ambiguity and resource uncertainty (Fondas & Stewart 1994). Other influences are role set diversity, role set membership variability, degree of interaction between role senders and role receiver, and relative power of the people involved (ibid.).

The concept of role thus links the organisational and the individual level, and draws attention beyond the formal and top-down designed as usually described in the management control literature. A range of interesting aspects can be explored; e.g., how are formal rules and routines perceived and enacted? What roles emerge in relation to the official order of informing and controlling? How do informal and individual practices complement the formal ones? Are there information flows, initiatives and governing forces in unconventional directions that are not officially sanctioned, yet are important in the total information and control milieu? Are there conflicting roles?

Goffman (2009) adds the idea of group performance by using the metaphor of performing on stage. In order to perform together in front of an audience, information must be exchanged between the members of the ensemble. Depriving a member of information about where the team stands implies taking the role away from him/her. If one member steps outside what is allowed, the integrity of the whole team may be jeopardised. Goffman refers to *destructive information*; i.e., signals that could ruin a performance. This should be of interest from a management control perspective; it could serve as a mechanism for new patterns of interaction and information sharing and for viewing one's own role as part of a bigger whole.

Some Empirical Examples

Applying the concept of role to unit managers in the hospitality industry, Hales and Nightingale (1986) identify a number of conflicting demands associated with this particular position. In addition to the core elements (controlling costs, standards, stock and personnel), monitoring customer satisfaction seems to be important. Furthermore, demands stemming from the managers' subordinates were identified, although some of them appear to be overlooked by the managers themselves. Those demands include assisting the subordinates in their work by providing tools, guidance and information about organisational rules and future changes. Also, there are expectations from the more junior subordinates on the manager to set the tone of the unit by being competent and knowledgeable.

In a similar study, Hales and Tamangani (1996) attempt to link organisational structure (centralised vs. decentralised) to managerial behaviour. They find little evidence that structure influences the information and control milieu to any significant degree, although some differences are noted. The centralised organisations display stronger congruence between others' expectations and the managers' own perceptions. Furthermore, expectations stemming exclusively from above are more common in the centralised organisations. Interestingly, expectations to involve the subordinates, delegate control and listen to their suggestions are unacknowledged by all managers.

The above examples demonstrate the merits of viewing management from a role perspective, because of the possibility to elucidate expectations from various parts of the organisation, e.g. bottom-up expectations, and not just those imposed from above in a formalised manner.

Summary

In sum, the concept of role enables a more systemic view of how control is exercised and of how and with what purpose information is used; it sheds light on both the official and the unofficial

practices, and identifies interesting linkages among them and people's behaviour. The notion of "information ecology" (Davenport & Prusak 1997) includes both formal and informal aspects of information, but it does not provide the lens necessary to explore control practices and their impact on people's behaviour. Moreover, the notion of "control" has been criticised for being overly linear, and insufficient to capture the complexity of for example lateral relations, and it has been suggested that the term governance be used instead (van der Meer-Koistra & Scapens 2008). The notion of "project ecology" (Grabher 2004) has been used to describe the fluidity of projects and their contexts, and the competing logics involved. It touches upon some of the dynamics that we aim to shed light upon in this paper, yet it involves only project-based organising. We believe that the term "governance ecology" would be illustrative of the intra-organisational interplay described in this paper. To our knowledge, "governance ecology" does not appear in the management control literature, and we believe that it could make an important contribution to the field.

METHOD

The study is inspired by case study research (cf. Walsham 1995) and uses theory to illustrate aspects in the empirical material that we believe are of importance to provide new perspectives on traditional ideas of management control. The chosen case is a housing company, which operates in the public sector. Studying a public-sector organisation appears useful for a number of reasons. It is likely to be driven by both financial and non-financial goals to a larger extent than for example companies listed on a stock exchange. With such a mix of goals, a strong reliance on individual discretion in interpreting what is desirable behaviour, based on professional or social values, could be expected. Hence, the role of management control in relation to other information practices is not obvious and therefore interesting to study. Based on previous contacts with the company, we had reason to believe that it would be possible to achieve a trustful interviewing climate

Role theory revolves around relations and communication, and therefore information behaviour was approached as follows; the first interviewee was contacted with reference to previous contacts with colleagues, and based on the outcome of the first interview, additional interviewees were contacted that seemed to be interrelated with the previous interviewee. Ideally, this would have continued until saturation was obtained. However, this being an exploratory stage with the purpose to test the idea of generating role-focused descriptions, we stopped after four interviewees, when some patterns could be discerned. The interviews were face-to-face and semi-structured. A few main themes, such as principal work tasks, interaction with colleagues, and systems support, were treated in each interview. The duration of the interviews was about 75 minutes. The material was interpreted in the light of some principal traits of role theory, e.g., own perception of one's work role, perceived expectations from others, perceived audience, group performance, etc.

BUSINESSMANSHIP AT BETA

Beta is a municipally owned housing company with about 120 employees. Being situated in a mid-sized student city with about 100,000 inhabitants, where about 30% study or work at the university, Beta faces a fairly dynamic competitive situation with high tenant turnover. It holds about 25% of all

apartments and houses in the municipality, and roughly half of the rental housing stock. Beta has a rather clear aim to deliver profit to the municipality, something which the company manages to live up to at present. A simplified overview of the organisation and the location of the interviewees can be seen in Figure 1.

In addition to traditional housing, Beta has begun to offer solutions for senior people. The project manager is involved in the latter, which implies a diversity of roles. It is an area under development and therefore she juggles a wide range of tasks and perceives herself to be part of many of the traditional positions found at Beta, such as customer responsible, area responsible, customer service and properties service. Above all, she seems very service-minded and eager to act as a facilitator for both customers and colleagues, something which will be elaborated later in this section. In contrast to how staff of municipally owned housing companies some decades ago would primarily view themselves as engaging in providing a public service, all interviewees seem highly aware of expectations on acting as businesspersons.

Businessmanship is one of our mottos. (Project manager)

The maintenance manager stresses the importance of “talking to and influencing my colleagues so that they make purchases the right way, that we handle it economically in the right way.” The customer service manager appears to be concerned with the costs caused indirectly by his group, thus recognising the link between his unit and the organisation as a whole.

Then the customer service has a large part of our repair costs, and even though they're not in our budget we influence them to a very large extent since we place a lot of orders. And that is also a part of the financial dimension of my work, working with that: how can we become better at placing orders, how can we follow up costs in a better way? (Customer service manager)

He organises training sessions within Beta in collaboration with entrepreneurs and technicians in order for the customer service employees to learn what questions to ask the customers and how to place more precise orders. The focus of the training is shaped in a bottom-up fashion; there is a team within the customer service group that is in charge of identifying such education needs, based on their perceived expectations from the interaction with the customers.

According to the project manager, the current CEO has brought a stronger emphasis on financial aspects to the organisation. However, there seems to be little explicit emphasis on detailed performance evaluation.

We don't have any revenues that I have to report like other managers do. And the costs are in the forecast. We make forecast one and forecast two, and then my boss approves it when I make it [the forecast] so that's a check point. (Customer service manager)

In fact, we don't have any such reports. It's every four months. Then I report to the finance director what our projects look like, at what level we are and so on. But I never report what the

single projects look like; one has the confidence of the company management to handle that oneself. (Maintenance manager)

As for reporting and follow-up in general, neither the project manager nor the customer service manager believe that it is particularly extensive.

It's mostly NN [her immediate superior] to whom I report. But there is not a lot of reporting, we are rather independent in this business unit. (Project manager)

Then sometimes we have a briefing of the results, the telephone response results. But we don't have a regular... that I should present that once a month or so. (Customer service manager)

In spite of the absence of such formal coordination mechanisms, the project manager appears to view her work as highly related to that of others, and is striving to coordinate her work with many of her colleagues. As mentioned earlier, she seems to have taken on the role of facilitator. She makes sure to inform her manager about matters that could reach him from someone else. She also makes sure to inform the customer service group of the resolution of questions from customers that they have forwarded to her.

If I've received it [a question] from the customer service, 99 times out of 100 I feed back to them what I did with it, because it's useful for them and they know that I've taken care of the question... that what they forward is not just lying there; it's about their credibility towards the customer too. (Project manager)

Furthermore, a substantial amount of interaction takes place between her and the colleagues who have the general responsibility for properties where there are other tenants in addition to the senior citizens who are her customers. If she agrees to improvements in senior citizens' flats, other tenants may question why they are not allowed the same. Because she has multiple roles, she has the impression that she could easily miss useful information if not paying attention. For practical reasons, she cannot attend the meetings of all the traditional positions in Beta, and therefore she seeks for protocols from those meetings in order to update herself on what is going on in the various functions.

In addition to the explicit focus on businessmanship, customer attitudes appear to create expectations on how to focus the business. It is unclear whether these expectations are sent from the top organisational level, or whether they are adopted from below. According to the maintenance manager, about 80 % of the projects undertaken by his department are based on customer opinions. Such opinions are gathered through surveys where Beta is compared to other housing companies. The surveys often confirm what is already known by those who are responsible for the different areas – they are in close contact with the customers and obtain a sense of their expectations. In addition to customer-based changes, the maintenance manager is responsible for undertaking larger changes to properties where needed, for instance water damage restoration.

But it's extremely important that we pay attention to the customer opinions. (Maintenance manager)

Obviously, not all projects can be realised, but according to the maintenance manager there is seldom disagreement about what should be done and what should not. The real estate manager points to the balance between short-term financial benefits, and more long-term customer-oriented and even societal benefits, such as cleaner and safer housing environments. He refers to a project aiming to create meaningful spare time activities for youngsters in certain areas, in order to avoid crime and violence. This project does not seem to be initiated in a top-down fashion, but rather by mid level employees. Not surprisingly, the customer service manager has embraced the role of customer-oriented, and appears to view his group as an important link between customer opinions and actual work practices.

And we also look at the customer opinions from last year, because we've done a few. So we look at those figures, what parts are good and what parts have less good ratings and what needs to be improved. So that influences too, what we should focus on, and change in our routines and work methods. (Customer service manager)

Routines and work methods are recurring issues in the customer service group. In addition to the education team mentioned above, there is a work method team within the group which is responsible for deciding what methods to focus on and to develop. Just like the training sessions, the focus of the methods is largely determined in a bottom-up manner.

The maintenance manager has the impression that he spends too little time in the actual business, thereby not fulfilling the role of speaking partner and decision maker that he perceives.

To see how restoration is done and so on. How a certain method works. Often I get it through discussions over the telephone or in e-mails, whereas the real life experience when things are put in place, I don't get that and I miss it incredibly much. And perhaps that also makes me lose a bit as a leader in my position, unfortunately. (Maintenance manager)

He has been involved in numerous large-scale rebuilding projects over the years, and seems to be perceived as a competent co-worker. According to him, there is no unified and systematic way of storing information about external maintenance and the conditions of the properties. He is frequently asked to participate in various meetings where technical competence is required, and he receives questions from colleagues who want to know about when a property was rebuilt, whether a construction allows for heavy loads of snow, or whether the central plumbing system has been changed.

I usually try to say no as much as I can, but since people are rather specialised, it's often the case that there aren't that many to involve. [...] Or if someone begs me and says: it would be really

good if you could participate, and then maybe I say yes instead of saying no. And I think it's exciting too. (Maintenance manager)

DISCUSSION

In our interviews, we have noted a rather weak reliance on formal information-based management control systems. The information and control milieu at Beta seems to rest upon less specific and detailed expectations from above, the acknowledging of expectations from lower levels, and the idea of performing together as a team. The absence of detailed financial follow-up, i.e. conventional performance evaluation, could send the expectation that managers are fairly free to spend their funds, but the motto of businessmanship draws attention to certain kinds of information and creates the role of businessperson. Hence, less specific expectations (cf. Katz & Kahn 1978) also govern behaviour in the desired direction. This provides an interesting counterweight to management philosophies and tools such as New Public Management (e.g. Gualmini 2008; Hood 1991), the Balanced Scorecard (cf. Kaplan & Norton 1996) and integrated information systems (e.g. Chapman & Chua 2003) that could promote and provide vast amounts of data on various dimensions and levels of detail. What is also interesting is the customer service manager's concern about the indirect financial effects; it resembles the idea of performing together as a team (Goffman 2009) and indicates that the motto of businessmanship not only shapes business-minded individual roles, but also a role of team player attempting to enlarge the team and enrol also those who indirectly affect business performance. All of the above underlines the importance of viewing formalised practices and chains of command just as aspects of the entire information and control milieu, i.e., taking a governance ecology perspective.

The customers' opinions (explicitly voiced and otherwise perceived) also govern behaviour at Beta, which is well in line with the competitive situation. Both in terms of financial resources and customer value, there seems to be little or no mission ambiguity (Fondas & Stewart 1994) at Beta, which leaves limited room for role making. This is noteworthy, considering the experienced degree of freedom among the interviewees concerning reporting and follow-up; congruent expectations and role perceptions were more frequently found in the centralised organisations in Hales and Tamangani's (1996) study. Perhaps this is due to Beta's current financial situation, which allows for more long-term oriented activities to be undertaken without compromising short-term goals. Both the role as business-minded and the role as customer-oriented thus seem possible to fulfil at the moment, reducing the potential for role conflicts. The reliance on regular customer surveys indicates a Balanced Scorecard-inspired thinking (cf. Kaplan & Norton 1996). However, contrary to the top-down initiated practices often seen in the management control literature (e.g. Anthony & Govindarajan 2007; Merchant & van der Stede 2003), it is not obvious that all initiatives aimed at customer value and societal benefits at Beta are top-down. Our interviews illustrate considerable interest in expectations stemming also from medium and lower levels in the organisation. For example, the customer service manager acknowledges his subordinates' wishes for training and work method development, thereby making them more salient in shaping their roles. The real estate manager and the social issues responsible view cooperation with third sector organisations as important, in order to provide youngsters with non-destructive leisure activities, although the board makes no specific request regarding such cooperation.

Such openness to the subordinates' views is almost completely lacking in previous studies on managers and their roles (Hales & Nightingale 1986; Hales & Tamangani 1996), something which could be worth investigating in future studies. Can this discrepancy be traced to individual differences in leadership style, industry differences or differences in national culture? This openness to bottom-up expectations obviously results in governing forces in unconventional directions, and form a prominent part of the governance ecology.

The strong customer orientation also translates into what Goffman (2009) refers to as performing as a team in front of an audience. The project manager, in her role of facilitator, is clearly focused on both seeking and sharing information such as "who has done what" and "how will this be perceived by the tenants", so that her and her colleagues' role performance can be maintained in the view of the audience – the customers. Here, a *lack* of information constitutes what Goffman calls destructive information. The fact of *not* knowing what has been done in a certain matter or what is going on in the properties in a particular area may ruin one's performance as perceived by the customers. The project manager is thus not only eager to fulfil the role as competent and knowledgeable herself; she is equally concerned about her colleagues' role fulfilment towards the customers, seeing to the greater good for Beta and actively informing colleagues to reduce role conflict. Whether her role performance as a facilitator and team player depends on organisationally sanctioned control mechanisms or on her intrinsic motivation (cf. Katz & Kahn 1978) to be a good co-worker, is unclear to us. We could also imagine a situation where *not* sharing information with colleagues would be perceived by the individual as the best way of handling customer issues.

The maintenance manager's idea, that he is losing out as a leader due to a weakening sense of how the business works, possibly results from a wish to impress internal actors, e.g., subordinates. Unlike the managers in Hales and Nightingale's (1986) study, he seems to actually acknowledge bottom-up expectations on displaying competence. However, it is not obvious that people in his environment perceive him as an incompetent decision maker; the fact that he is frequently begged to participate in various meetings and decisions indicates the opposite. Here, a conflict between his own and others' perceptions of his role performance can be seen, although colleagues requesting his help probably contribute to modifying his role perception to some extent. His choice to participate in meetings and decisions could equally well stem from a wish to gain or maintain power (Fondas & Stewart 1994) as from an intrinsic motivation to support others (Katz & Kahn 1978). Again, informal governing forces, from others and from oneself, may serve as an important complement to the formal ones in the governance ecology. In the longer run, however, there is a risk that others' perceptions converge with his own. It appears that the formal management control structure to support his long-term role fulfilment is missing; a Balanced Scorecard (cf. Kaplan & Norton 1996) could potentially draw attention to his competence development in a more management control-guided way and legitimise an increase of hands-on participation "in the actual business".

CONCLUSIONS

Building on the notion of governance ecology, this study seeks to illustrate a more systemic approach to management control by connecting the organisational and the individual level, and exploring the

interplay between formal and less formal information and control practices. Interviews with related people in a municipally owned housing company form the basis of our study.

By introducing the concept of role, we have highlighted some aspects that may be gaining in importance but are rarely recognised in the management control literature. We like to think of these as complementary to the more formalised, depersonalised and top-down-inspired dimensions of management control, rather than mutually exclusive. Together they form a governance ecology. The discussion has revolved around the interplay among individuals, groups and formal structures. The more or less informal information practices of individuals play an important role in the governance ecology and act as a complement to information systems, policies, and formal information sources in that they reinforce signals, and reemphasise and articulate expectations on behaviour. These individuals are driven both by personal interests and intrinsic motivation, and by interaction with others. Over time, their information practices develop into habits that shape their perceptions of tasks, colleagues and clients and alter their expectations on themselves and others. As could be expected, we find evidence of how short-term aspects take precedence over long-term perceptions of desired behaviour.

The idea of group performance in front of an audience contributes to more systematised information flows and coordinated performance, and can help reduce role conflict in a decentralised control environment. We have noted that, given shared ideals, also rather unspecific signals can create congruent behaviours, thus reducing the need for more systematised control; the motto *Businessmanship* acts as a substitute for detailed and frequent financial follow-up, and “customer focus” prompts coordinating information exchange.

Depending on the extent to which expectations are acknowledged by the individual, roles may create governing forces and information flows in unconventional directions. For example, unlike the conventional top-down ideal of management control literature, subordinates seem to constitute a crucial source of information, an influence on the managerial role and an influence on their own roles. Also, the interviewees’ images of competent role performance, developed by themselves in interaction with subordinates and customers rather than prescribed by top management, largely influences the tasks they attend to and the information they seek and share. And as long as the end result (here, profitability) is in accordance with top-management expectations, the informal coordination routines are not compromised or re-oriented by imposition of new formalised rules and routines.

All of this should be of obvious interest in designing and using management controls. The governance ecology concept emphasises that the information and control milieu is only partly the result of overarching intentional design. Considerable parts of the milieu are rather designed on local, individual initiative or emerge as a result of the actors’ previous experience, personal traits, and ongoing interacting role formation. Designed elements could gain from a better understanding of the entire ecology in which it will operate, but can never hope to replace the ecology with design.

A formal validation of the value of these descriptions is beyond the scope of this paper. However, we hope to inspire more extensive studies that could elucidate how role perceptions emerge and interact with formal and informal control practices and form and reshape governance ecologies in different settings.

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Figure 1: Overview of Beta and the interviewees (in red)

