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PERCEPTIONS OF MANAGEMENT ACCOUNTING SERVICES

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ABSTRACT

Internal service quality is important to management accounting (MA) service providers and users to promote good communications, ensure high standards of service, and to support good organizational decision making. However, there is little research concerning MA quality issues despite the prevalence of service quality research in other service areas. The purpose of this paper is to investigate differences, and their sources, between perceptions of management accounting services as reported by accounting service users and providers in a corporate organization. We collected qualitative interview data from managers and staff from different functional units about specific MA services by asking questions about user-provider perceptions of MA services in the areas of communication and satisfaction while applying the internal customer service perspective. We supplement our analysis with quantitative data based on the interviews. Our findings show evidence of user-provider perception gaps and provide a foundation for management actions to improve MA service quality.

JEL: M41

KEYWORDS: Management accounting services, user-provider perceptions, service satisfaction, service quality

INTRODUCTION

In this paper, we report on user versus provider perceptions of management accounting (MA) services in a corporate organization. The purpose of this study is to investigate sources of perceptual differences between MA service users and providers in the areas of communication, satisfaction, and quality using the internal customer service perspective (Hollowell et al., 1996; Lings and Brooks, 1998). This study details efforts by management of one organization to improve the services of MA to meet the needs of users. We collect and compare qualitative and quantitative evidence derived from interviews of MA (provider) and non-accounting (user) personnel. We report and analyze this information both by specific MA service and overall. A consistent perception of MA services by providers and users is essential because if perceptions differ, then the goals for services will also differ. Different goals lead to different courses of action and conflicting perspectives on MA service providers and their performance.

Service quality is an extensively-researched area, with hundreds of articles published across numerous organizational and service settings, including transportation (Bonsall et al. 2005), health care (Ward et al. 2005), public administration (Callahan and Gilbert 2005), and information systems (Watson et al. 1993; Bharati and Berg 2005). However, research concerning the quality of accounting services is nearly non-existent. Following this and subsequent studies, we may learn 1) if, generally, MA provides services that meet the needs of users, 2) about the nature and extent of communication difficulties between MA and users, 3) if and how organizations evaluate MA services, 4) how MA influences their roles within organizations, and 5) about management actions in response to perceptual differences in service quality.

The remainder of this manuscript is organized as follows. The next section provides the literature review. Section three discusses the data and methodology. In section four, we discuss our results. Conclusions appear in the final section.

LITERATURE REVIEW

The few studies in accounting concerned with accounting services address primarily user perceptions in contrast to the comprehensive user-provider comparisons made in this study. For example, Aldhizer et al. (2002) examined consulting service quality in an accounting and non-accounting provider environment from the client perspective. These authors recommend that future research consider a comparison of provider and user perceptions of service quality. Frezatti et al. (2006) analyzed the relationship between attributes of a MA system and user satisfaction and found that examining the satisfaction level of users facilitated provider understanding of user requirements and development of decision-useful services. The only studies that directly compared user and provider perceptions of MA services are Pierce and O'Dea (2003) and Byrne and Pierce (2007). These studies showed evidence of major preparer-user perception gaps concerning the usefulness of specific types of information and managers' views of roles for MAs. These studies provide indicators about how to narrow these gaps including a broad knowledge of the business, well-developed interpersonal and communications skills, flexibility, and sound technical knowledge. Four theoretical approaches used in past research are relevant to user perceptions of MA service quality; discrepancy theory, contingency theory, social perception theory, and role theory.

Discrepancy theory argues that an individual's satisfaction is partly determined by psychological comparisons of current experience against personal comparative standards (Locke, 1969). The gap between what an individual expects versus the service they perceive to actually receive influences their dissatisfaction. Smaller gaps imply relative satisfaction while larger gaps suggest dissatisfaction. Discrepancy theory is widely used in the IS literature e.g. Bhattacharjee (2001), Jiang and Klein (2002), Tesch et al. (2005), and Boyd et al. (2007).

The second theoretical lens is *contingency theory*. This theory recognizes MA services as passive tools designed to assist in user decision making (Chenhall, 2003). In sum, the organizational context drives the design and influence of MA systems (Chenhall, 2003; Sabherwal and Sabherwal, 2005), so monitoring user satisfaction and information quality is necessary to ensure effective user-provider information exchange linkages. Hopper (1980) and Byrne and Pierce (2007) employed contingency theory in studies that addressed accounting service quality issues.

The third theory commonly used to support service satisfaction studies is *social perception theory*. The theory suggests that service quality perceptions between users and providers may be driven by differing education, goals and experiences, or even overall worldview (Ross and Fletcher, 1985; Srull and Wyer, 1988). This theory was used in the IS literature to explain why users have different perceptions of service quality than providers of the service (Jiang et al., 2000). Given these differences, MAs have incentives to 1) identify user-provider service quality gaps, and 2) take actions to narrow or eliminate the effects of these gaps.

The final theory relevant for service satisfaction studies is *role theory*. The theory posits that focal roles, such as those of MAs, are influenced by other members in the organization, who are referred to as role senders (Kahn et al., 1964; Katz and Kahn, 1978). Accountants may shape how they perform their job functions, especially when others' expectations of accounting information are either unclear or in conflict. In the accounting literature, Hopper (1980), Sathe (1982), and Byrne and Pierce (2007) draw on role theory to examine the roles of MAs and controllers. Therefore this theory may prove useful to explain perceptions of MA services and suggest ways to better meet user expectations and quality needs.

DATA AND METHODOLOGY

We used a case study approach to compare provider and user perceptions of MA services. Use of the case study method of empirical research is supported by the internal customer service literature (e.g.,

Hallowell et al., 1996; Lings and Brooks, 1998; Marshall et al., 1998; Brooks et al., 1999; Gelb and Gelb, 1991) and is especially useful when the purpose of the research is to conduct an exploratory identification of initial “inadequacies and weaknesses” associated with the internal marketing framework (Brooks et al., 1999: 55). The internal customer service literature also supports empirical service assessment utilizing qualitative data analysis gathered through interviews with organizational employees (Brooks et al., 1999; Gelb and Gelb, 1991; Marshall et al., 1998; Lings and Brooks, 1998). Hopwood (1983) and Kaplan (1984) suggest researchers assess MAS service delivery in organizational contexts, and Ahrens and Dent (1998) encourage field research in MA. In addition, a case study is able to bring the context of the field site into the research, which is often missing in archival studies. Although the unstructured approach to problem solving in case studies limits causal inference and generalizability to broader populations (Chenhall, 2003: 160), the accumulation of knowledge about this topic from several such studies may prove interesting.

We conducted the research in three phases. The purpose of the first phase was to compile a list of services carried out by the MA section. Phase two consisted of interviews with a cross-section of MA service users and providers. In phase three, we followed up with management to see what actions they took to narrow perception gaps and address service quality issues.

The Subject Organization

The subject organization for this study was a large, multi-divisional, and geographically dispersed utility service organization that we refer to as Utility Company (UC) to preserve the company’s anonymity. The company is located in Australasia and has been in existence for several decades. The company operates in a highly regulated environment. The company is subject to price controls, and must comply with numerous regulations and government reporting requirements. Sales of services in 2000 exceeded \$2.5 billion. The company employs approximately 2,300 individuals organized into four divisions, ranging in size from about 400 employees to over 650 employees. The company was faced with impending deregulation that would introduce competition and require the company to spin off, in about a year, segments of its highly vertically integrated operations.

UC employs about 200 persons at the corporate headquarters responsible for coordinating corporate reporting activities, planning, and providing advice to the four divisions. Headquarters employees provide for corporate services in the areas of executive management, customer relations, human resources, technical support, operations, finance, treasury, and internal audit. Division managers (DM), responsible for all activities in each division, are also located at the corporate headquarters.

Staff at all locations are organized into four support functions; Accounting, Human Resources, Technical Support, and Operations. A corporate support manager (CSM) located at the corporate headquarters office heads each function and reports to the general manager. Support personnel have a direct reporting relationship to the division managers and dotted-line responsibility to the CSM.

Accounting employs 85 people in four divisions and at corporate headquarters. The management organization structure of the firm consisted of three levels (manager, supervisor, and staff) at three locations (corporate, division, and area).

Development of MA Service Categories

In order to address RQ1, we developed a preliminary list of MA services in consultation with accounting division managers. We then distributed the list to the remaining accounting personnel. After three iterations, and having achieved a consensus list, we then sent it to 42 non-accounting service users for comment. In some instances, we met with individuals or groups to discuss listed services. After about two

weeks, we completed the list used in connection with the interviews. We categorized all interviewee comments according to eleven specific accounting services identified jointly by company users and providers. The services consist of: Planning; Routine Accounting; Management Reporting; Training; Audit/Internal Control; AIS Support; Project Analysis; Land and Property Administration; Fixed Asset Accounting; Other Services; and Accounting Management. For each service, we attached a list of two to eight examples specific to the company in order to ensure common understanding of each service category.

Interview Procedures

We obtained the data for this study from interviews of providers and users of accounting services. We interviewed a representative cross section of 159 UC employees concerning their views on MA services. Of this group, 93 were users of MA services (including five corporate executives), and 66 were MA service providers. Some personnel were interviewed individually and others in small groups to optimize the rate of information gathering. In addition, group interviews did not mix persons from accounting and user departments and avoided situations where subordinates and their superiors were in the same group interview. We took these steps to encourage frank discussion of issues. Table 1 lists the number of interviewees by level.

Table 1: Number of Interviewees by Level

Panel A – Providers	
Corporate Accounting Officer (P1)	2
Corporate Accounting Manager (P2)	3
Corporate Accounting Staff (P3)	0
Division Accounting Manager (P4)	5
Division Accounting Supervisor (P5)	6
Division Accounting Staff (P6)	9
Area Accounting Manager (P7)	23
Area Accounting Supervisor (P8)	6
Area Accounting Staff (P9)	13
Panel B – Users	
Corporate General Manager (U1)	1
Corporate Manager (U2)	7
Corporate Staff (U3)	4
Division Manager (U4)	4
Division Supervisor (U5)	10
Division Staff (U6)	2
Area Manager (U7)	20
Area Supervisor (U8)	22
Area Staff (U9)	18
Total	93

Table 1 shows the total number of individuals interviewed by level of management among service providers and users. Interviewees are coded as P if they were a service provider and U if a user.

We took two sets of notes at each interview. During transcription, we read and compared the two sets of notes to ensure that both sets of recorded comments were in substantial agreement. The coding schemes for interviewee level and services enabled us to sort all comments according to MA service and interviewee functional orientation and level. We asked the following questions during our interviews. Does the list of MA functions cover everything that concerns you? Do MA services/reports focus on the most important issues? Do reports have the right amount of detail? Do you give/get good advice from MA staff? Are you generally satisfied or unsatisfied with MA services that you use?

For analysis purposes, we grouped all comments into one of three classifications. We classified comments that were unambiguously favorable with respect to the accounting service as *positive*. Likewise, we judged comments that were unambiguously unfavorable or that we could construe as suggestions for improvement as *negative*. The interviewers independently classified interviewee comments and a third individual who was not involved in the collection or analysis of the data reviewed them to control for bias. The majority opinion settled disagreements. We designed our quantitative analysis to augment our qualitative narratives below, not to obfuscate them. In essence, although our method is primarily qualitative in focus, we believe that readers can more easily digest our lengthy interview data through our quantitative summaries.

We used the positive and negative classifications for two forms of analysis. First, we qualitatively assessed comments to obtain a general sense of users' and providers' prevailing sentiments regarding accounting services, grouped by service type. Second, we quantitatively analyzed differences in the proportion of positive and negative comments in each classification between providers and users. We tabulated neutral comments in both the qualitative and quantitative analyses but did not use them in order to concentrate on the differences between positive and negative perceptions of accounting service provision and use. Most neutral comments were statements of fact which, in our judgment, added little of substance to determining provider or user perceptions of service quality. Finally, we asked interviewees to indicate whether they were generally satisfied or dissatisfied with each service they used.

Because of the exploratory nature and case study setting for this research, we do not advance formal research hypotheses. Instead, we posit four applied research questions derived from the literature and theories reviewed in the previous sections (indicated parenthetically).

RQ1: What discrete services do providers and users recognize? (communications)

RQ2: Do perceptions of MA service providers and users differ by service? Why? (social perception/role theory/discrepancy theory)

RQ3: Do perceptions of MA services differ by level of management? (social perception/role theory/discrepancy theory)

RQ4: What actions can management take to narrow perception gaps? (communications/business partner roles)

RESULTS

Tabulation of Comments by Providers and Users

A tabulation of *provider* and *user* comments by organizational level and accounting service appear in Table 2. Table 3 shows results of chi-square tests of the distribution of positive versus negative comments by service (Panel A) and overall (Panel B).

Table 2: Number of Comments by Service and Level of Management

Panel A – Providers										
Level*/Service	P1	P2	P3	P4	P5	P6	P7	P8	P9	Total
Planning	0	2	0	5	9	1	6	5	0	28
Routine Accounting	0	0	0	1	0	0	2	3	2	8
Management Reporting	4	2	0	16	11	2	19	2	3	59
Training	0	2	0	0	6	3	7	1	3	22
Audit/Internal Controls	0	1	0	2	7	4	6	2	0	22
AIS Support	2	14	0	9	11	12	11	2	15	76
Project Analysis	0	0	0	2	1	0	1	0	0	4
Land & Property Admin.	0	0	0	1	1	3	1	0	0	6
Fixed Asset Accounting	0	0	0	0	1	0	3	0	0	4
Other Services	0	0	0	0	0	0	0	0	0	0
Accounting Management	0	0	0	10	12	14	8	3	6	53
Total	6	21	0	46	59	39	64	18	29	282

Panel B – Users										
Level*/Service	U1	U2	U3	U4	U5	U6	U7	U8	U9	Total
Planning	3	5	5	6	15	0	11	13	4	62
Routine Accounting	4	1	1	2	2	0	6	1	0	17
Management Reporting	15	13	5	16	30	1	33	18	2	133
Training	0	5	3	3	8	1	6	4	2	32
Audit/Internal Controls	3	0	0	3	1	0	0	1	1	9
AIS Support	0	7	2	6	16	1	1	10	2	45
Project Analysis	0	2	1	0	3	0	1	1	0	8
Land & Property Admin.	0	2	0	1	1	0	3	0	0	7
Fixed Asset Accounting	0	0	4	1	1	0	2	0	1	9
Other Services	0	0	0	0	0	0	0	0	0	0
Accounting Management	7	5	6	11	9	1	9	3	0	51
Total	32	40	27	49	86	4	72	51	12	373

*1=Corporate Officer; 2=Corporate Manager; 3=Corporate Staff
 4=Division Manager; 5=Division Supervisor; 6=Division Staff
 7=Area Manager; 8=Area Supervisor; 9=Area Staff

Table 2 shows a count of the comments made on each MA service by management level of service user and provider in the organization. Comments may be positive, negative, or neutral. Neutral comments were statements of fact and we did not use them for identifying service quality issues or differences between perception of service users and providers.

Table 3: Chi-Square Test of Comment Distribution between Users and Providers

Panel A – Distribution of Comments by Service				
Service	Comment Classification (Pos./Neg.)		Chi-Square	p-value
	Provider	User		
Planning	6/19	4/50		0.043
Routine Accounting	0/6	5/10		0.262*
Management Reporting	12/31	22/85		0.331
Training	2/14	2/28		0.602*
Audit/Internal Control	12/5	0/7		0.000*
AIS Support	14/45	3/33		0.058
Project Analysis	0/1	1/7		1.000*
Land and Property Admin.	0/6	0/4		1.000*
Fixed Asset Accounting	0/4	0/8		1.000*
Other Services	0/0	0/0		1.000*
Accounting Management	12/36	11/28		0.736
Total	58/167	48/120		0.004

Panel B – Overall Distribution of Comments			
Source	Comment Classification		Total
	Positive	Negative	
Providers	58	167	225
Users	48	260	308
Total	106	427	533

*Fischer's Exact Test reported due to small number of observations

Chi-square (1 df) = 8.479 p = 0.004. Table 3 shows the results of Chi-square tests of differences in the number of positive versus negative comments made by providers and users about each management accounting service, and overall. The total number of comments differs from that in Table 2 by the number of neutral comments that we noted.

In the following sections, we report on development of the list of MA services and comparisons between comments of users and providers on Planning, Management Reporting, Training, Audit/Internal Control, Accounting Information Systems, and Accounting Management. Users and providers did not provide a significant number of comments on the remaining services.

Definition of MA Services and Interview Results

There was widespread praise among interviewees for the process of identifying MA services. Users were particularly gratified for the opportunity to discuss what services accounting performed. Many of these individuals commented that they achieved a higher level of understanding and appreciation of the accounting function. In many cases, users, particularly at lower levels, really didn't know what the accountants did aside from their limited service encounters. In addition, this exercise provided an opportunity to discuss accounting terminology that was a source of confusion. For providers, developing a list of services served to identify and clarify organizational roles. In a few instances, duplications of effort were uncovered leading to internal resource reallocations. In addition, most providers agreed that the list would help improve communications with users and for conducting future service assessments, particularly when seeking user input. Overall, it was evident that communications between users and providers was previously too limited and that both groups considered this exercise an opportunity to work together more extensively in the future.

Planning. Provider and user comments were generally similar for planning. For example, both users and providers were concerned with the amount of time the budgeting process took. Users were especially critical of arbitrary budget cuts from management that they believed were not well-communicated. The tenor of users' negative comments was much more severe than were providers' comments. As shown in Panel A of Table 4, the distribution of positive versus negative comments on Planning differed significantly between providers and users: the chi-square statistic with 1 degree of freedom was 4.114 ($p = 0.043$).

Management Reporting. Provider comments indicated that they were cognizant of the severe lack of communication with users, which demonstrates that they were at least aware of some of the serious internal service quality issues. Otherwise, providers were more internally focused on the pressures they felt from corporate and they were relatively happy with the reports they produced, so there is a rather large disconnect with user comments. Users, on the other hand, were generally very unhappy with the reporting function, and stated that the information in reports was too detailed and too old to be of any decision-making value.

Statistically, however, the distribution of positive versus negative comments between providers and users was not significantly different (there was consistent dissatisfaction with this service). As shown in Panel A of Table 4, the chi-square statistic for this comparison with 1 degree of freedom is 0.944 ($p = 0.331$).

Training. As mentioned above, providers seemed to be aware of the great need for user training. However, they did not seem aware of how critical this need was. User comments indicated a severe unmet need for accounting assistance, since they had trouble with accounting terms and definitions, as well as the technical complexities of the budget process.

Quantitatively, the distribution of positive and negative comments was not significantly different between providers and users (Fisher's exact test $p = 0.602$), as shown in Panel A of Table 4. The small number of positive comments (2) from both providers and users drive this result.

Audit/Internal Control. In general, Audit/Internal Control was a much more relevant service to providers than to users, because user groups did not normally interface with most control and/or audit related issues.

Both groups, however, mentioned that there were some rather serious systems control issues that management needed to address.

Statistically, the distribution of positive and negative comments between providers and users regarding Audit/Internal Control was significantly different (Fisher's Exact Test $p = 0.000$). This result reflects the fact that all user comments on this service were negative, while the majority of provider comments were positive as shown in Panel A of Table 4.

Accounting Information System (AIS) Services. The general focus of the negative provider comments was on the inadequacy of the system itself (resulting in slow processing) and the failure to update the system on a timely basis due to "botched" system upgrades. In contrast, negative comments by users' were much more focused on the inadequacy of system output. Users repeatedly commented on system inflexibility, data obsolescence, data fragmentation, and the general absence of user support (best captured by the comment that AIS "uses the user").

As shown in Panel A of Table 4, the difference in the distributions of positive and negative comments between providers and users was statistically significant. The chi-square statistic for this comparison is 3.607 ($p = 0.058$).

Accounting Management. Perhaps no other accounting service polarized providers and users as much as Accounting Management did. Providers were critical of perceptions of poor communication abilities by accounting management in general, as well as an "appalling" lack of staff relations. Users were more specific in their criticism of accounting management, noting a fixation on the details of the accounting process compared with an overall absence of internal service quality and support.

Despite the qualitative divergence in comments on accounting management between providers and users, the distributions of positive and negative comments on accounting management services between the two groups were not statistically different (Chi-square = 0.114; $p = 0.736$) as shown in Panel A of Table 4.

Overall Comparison of Comments and Additional Quantitative Analysis

We tabulated positive and negative comments for all accounting services for both providers and users, and the overall distribution was compared as shown in Panel B of Table 4. Users provided slightly fewer positive comments, and substantially more negative comments, across all accounting services relative to providers. The chi-square statistic of 8.479 with 1 degree of freedom is significant at $p = .004$. This result, substantiated by the qualitative comparisons of provider and user comments above, indicates significant differences between providers and users in their perceptions of accounting service usefulness and quality. The reasons for this situation may be explained by unique characteristics of the accounting processes and services in this organization, failure to market and communicate service capabilities, and characteristics of the individuals, consistent with social perception theory.

At the end of each interview, we asked individuals to list up to five services they were "very satisfied" or "very dissatisfied" with and indicate their perception of the efficiency of the MA function on a scale of 1 (very inefficient)-5 (very efficient). Chi-square results were reliably different for planning ($p = .081$) and management reporting ($p < .001$). Management reporting was the most frequently listed service. In this case, individuals from both groups placed this service in the very satisfied category more often than very unsatisfied, but far more so by providers. For planning, most users were very unsatisfied while more providers were very satisfied. Cell frequencies were too low to perform chi-square tests for training and accounting management. Fischer's Exact Test results were significant for training ($p = .073$), where very unsatisfied was listed most by both groups, but more so among users. The test for accounting

management was not significant. A *t*-test of the difference in means between user and provider perceptions of efficiency was significant ($p = .03$), with providers indicating greater efficiency.

Additional Qualitative Analysis: Application of the Internal Customer Service Model for MA Services

Although providing a customer-oriented or service attitude was not a formal, strategic goal of the MA function at UC, it was obvious from user comments that accounting providers generally needed to improve their internal service usefulness and quality. The following paragraphs highlight specific user comments about the existing customer (accounting service user) orientation of accounting providers.

Many U2 (corporate support manager) comments related to the customer orientation of MA providers, and these comments were mixed. One U2 was very positive regarding MA customer service; another, however, stated that accountants were too isolated from other functions. Another U2 noted that MAs needed more technical knowledge about the company's business. We interpreted this latter comment to imply that the MAs do not understand many of the technical issues that users with technical backgrounds must grapple with.

U3 (corporate support staff) employees were especially critical of the lack of customer orientation from accounting providers. For example, one U3 member emphasized that the accounting function is "self-serving." Another claimed that accounting provides "little feedback to users" while a third U3 member explicitly noted that accounting has a "lack of service-oriented attitude" and is "not part of [the] management team." One U4 (division manager) made positive comments about accounting customer orientation, but most other comments were quite critical of accounting service providers. For example, another U4 flatly stated that division managers did not get the information that they need from accounting. Other related complaints included "users (were) not consulted" and "accountants should be more proactive."

A U5 (division supervisor) indicated that advice provided by the accounting function was generally not understandable. Another mentioned that the U5 group required proactive accounting advice and that accounting needed to work alongside the group as a "partner." A number of U7s (area managers) expressed criticism of the perceived absence of a customer orientation by accounting, as well as related AIS provision issues. For example, one U7 noted that accounting did not explain information "whys and hows" to users.

User Comments by Corporate Executives

The corporate executives interviewed included the chief executive officer (CEO), financial controller (FC), corporate finance manager (CFM), treasurer, and corporate audit manager (CAM). The executives' comments were heavily concentrated on accounting services related to planning, management reporting, and management of the accounting function. Comments on these specific accounting services by the corporate executives are summarized below, addressing RQ3.

Planning. The CEO believed the annual plan was comprehensive but "messy." He believed that performance against the plan was "excellent" and that the planning system might be improved with a "budget trading" system where a manager could sell, for example, \$100 of budgetary authority to another manager for \$110. When told that, based on other interviews, budget managers were making decisions on a monthly basis at the expense of the long term, he found that "fascinating."

Other Corporate interviewees also provided comments on Planning. For example, the CFM expressed satisfaction with the budgeting process and the resulting reports. However, the Treasurer commented that he knew little of the company's long-term plans and that "everyone [was] too busy to plan ahead."

Management Reporting. The CEO felt there was an “astonishing” number of budgetary and account codes, resulting in far too much detail and a need to “cull something out of the accounting systems.” (The treasurer echoed this comment in making reference to the “massive” accounting reports.) The CEO also stated a belief that reports should come much faster and with no additional information. He questioned whether, with the existing level of detail, anyone had the time or need to use all of the information included in accounting reports. The CEO indicated a personal goal with respect to accounting reports would be the ability to answer “nine out of 10 questions” asked of him by the board of directors. He stated that this was not possible given the profusion of detail within the existing financial reporting system.

The CFM believed that managers were generally not accountable for their accounting reports. In addition, he perceived a lack of consistency across groups, in that some managers delegated responsibility and others abdicated responsibility for performance on accounting reports. The CFM went on to state that he thought routine monthly reports were “okay,” but that corporate didn’t look enough at variances.

Accounting Management. The view of the CEO was that the accounting organization structure had too many layers. He also wondered if there were too many people in the accounting function, and if the function could be centralized to a greater degree. The CEO felt accounting “didn’t send the right signals” to managers in terms of encouraging behaviors consistent with the goals of the company. The treasurer stated that our interview represented the first time anyone asked him about accounting services. In the treasurer’s opinion, accounting should be more centralized, with a stronger reporting responsibility to the corporate office instead of to station managers.

CONCLUSIONS

Our purpose in this paper was to report on an investigation of perceptual differences between users and providers of MA services. The premise of our study was that success for management accountants relies on good communications (a mutual understanding of the services management accountants provide) and high standards of performance. However, MA service providers may have different perspectives on what constitutes “successful” delivery of MA services. Therefore, management should attempt to identify areas of concern and work to align the views of providers and users.

In order to accomplish our objectives, we interviewed individuals at all levels of management to uncover their perceptions of MA services that they used or provided. We identified commonly understood MA services, as per RQ1. Our qualitative assessment suggested noteworthy perceptual differences in three services: Management Reporting, Training, and Accounting Management. Our quantitative statistical tests, relying on classifications of comments as either positive or negative, indicated that there are significant user-provider perceptual differences in three services at this organization: Planning, Management Reporting, and AIS Support. Further analysis indicated Training to be an area of additional concern. These analyses support RQ2.

There was no statistical difference between the number of positive versus negative comments given by supervisory (supervisors and managers) versus non-supervisory interviewees, failing to support RQ3. Both groups expressed general dissatisfaction with MA services. However, based on the comments from four corporate executives, the answer to RQ3 seems to be a qualified “yes.” These executives “consume” only a few MA services and were not aware of the problems noted at lower levels. Generally, this group was satisfied with the services they received. This suggests poor communication between top-level operational managers and corporate-level executive. Utility Company’s accounting department took several actions in response to the outcomes of this investigation to improve their communications and internal service marketing, addressing RQ4. Some of these appear in Table 5.

Table 5: List of Actions Taken to Improve Service Quality

1.	Allocated of more resources to management (versus financial) accounting functions.
2.	Implemented new training programs for budget managers, and accounting information systems training for accounting staff.
3.	Revised the budgeting process to shorten the budget preparation cycle, improve communication of business planning parameters and targets in advance of annual planning, and increase coordination with longer-term business plans.
4.	Developed a new portfolio of company performance indicators designed to have maximum relevance to each level of management.
5.	Revised the chart of accounts to eliminate codes that were no longer relevant and introduction of an annual process to provide accounting codes that correspond to objectives and performance measures contained in the current business plan.
6.	Reoriented reports to area managers to provide a group-wide view of performance.
7.	Implemented a mandatory training program for accounting function managers focused on developing personal management skills and planning for the accounting function.
8.	Introduced training programs to improve user understanding of accounting services.

Table 5 lists actions taken by management to improve communications between management accountants and service users to improve communications and the quality of services.

Finally, we note a few limitations of this study. First, we obtained the interview data from employees of a single organization and approximately two-thirds of our interviews were with employees in the bottom three functional levels of the organization. Second, external validity and comparisons with other firms and industries are problematic, as are any assertions of causality. Third, we based our qualitative classifications of interview comments as positive, negative, or neutral on personal judgments, which could have introduced bias into the analysis. Given that we know little about perceptions of MA services, much work remains in order to determine the state of service quality. Researchers should conduct future studies in other organizations and industries and undertake cross-sectional investigations. A body of research about MA service quality is required to determine if there are common areas of concern about MA services and ways organizations might improve services in order to better satisfy customers and improve decision making.

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