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INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTION IN A CONTINENTAL EUROPEAN CONTEXT: PERSPECTIVES OF PREPARERS
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**Abstract**

This dissertation provides a comprehensive picture of IFRS adoption from the perspective of preparers of accounting information in a continental European context. The dissertation examines the differences between IFRS and continental European accounting and analyses whether these differences influence and have implications for accounting and controlling practices and, if so, in what ways. The dissertation, therefore, presents case studies on accounting and controlling practices and develops theoretical explanations for these practices.

This dissertation develops theoretical explanations of why and how business becomes involved in accounting (or accounting and business come closer to each other) and identifies different ways in which business becomes involved in accounting. Moreover, the dissertation provides insights into the implications of business involvements for accounting and control practices at three different levels, i.e. organisation, accounting function and individual accountants.

In more general terms, this dissertation provides evidence of how financial accounting becomes more horizontal and has implications for both accounting and control practices. On the one hand, the dissertation examines management across two worlds, i.e. accounting and business, and focuses on the role of boundary objects used to mediate different worlds. On the other hand, the dissertation highlights learning at the boundaries and shows how boundary crossing was used as a strategy to fulfil the requirements of financial and corporate reporting. Finally, the dissertation argues that, rather than describing financial accounting and corporate reporting purely as a vertical process, we should pay attention to the lateral processing of information as required by the standards as well as the needs of management.

**Keywords:** accounting practices, control practices, corporate reporting, financial reporting, International Financial Reporting Standards, management reporting
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**Tiivistelmä**

Tämä väitöskirja tarjoaa laajan kokonaiskuvan IFRS-standardiston käyttöönottoon tilinpäätösinformaation laatijan näkökulmasta. Tutkimus käsittää käyttöönottoa ja laatijan näkökulmaa erityisesti mannereurooppalaisessa kontekstissa. Tutkimus analysoi niin kutsutun mannereurooppalaisen normiston ja IFRS-standardiston välisiä eroja sekä näiden seuraamukszia laskenta- ja kontrollikäytäntöihin. Tutkimus tarjoaa tapaustutkimuksia laskenta- ja kontrollikäytäntöistä sekä löytyää ja kehittää teoreettisia selityksiä näille käytännöille.

Tutkimus löytyää teoreettisen selityksen sille, miksi ja miten liiketoiminta on lähänä raportointia ja miksi liiketoiminnan johtaminen ja raportointa on laajennettu. Tutkimus tarjoaa tapaustutkimuksia laskenta- ja kontrollikäytäntöihin kolmella eri tasolla: yrityksen, taloushallinnon funktion sekä taloushallinnon henkilöstön tasolla.

Tästä käytännöltä osoittaa, miten tilinpäätösraportointi tulee IFRS-standardiston käyttöönoton myötä horisontaalisemaksi ja miten tällä on seuraamukksia laskenta- ja kontrollikäytäntöihin. Tutkimus analysoi kahden maailman, ts. laskennan ja liiketoiminnan, välistä johdannetta ja keskityy rajaohjekitien roolien tarkastelemiseen. Lisäksi tutkimus korostaa rajavöylykkeellä tapahtuvaa oppimista ja osoittaa, kuinka rajanylitystä käytetään täyttämään sekä tilinpäätösraportoinnin että yhtiöiden sisäisten raportointien tarpeet. Tämä tutkimus osoittaa, että tilinpäätösraportoinnin ja yhtiötason raportoinnin horisontaaliset piirteet riittävät, mutta tarpeen asemakaavion puhtaasti vertikaalisina prosesseina. Tutkimus osoittaa, että tilinpäätöstandardit, joiden johdolla tilinpäätösraportointi ja yhtiötason raportointi vaativat tilinpäätösraportointin ja yhtiötason raportoinnin horisontaalisuutta ja vertikaalisuutta. Tutkimus osoittaa, että tilinpäätöskäytännöt, laskentakäytännöt, tilinpäätösraportointi ja yhtiötason raportointi

**Asiasanat:** IFRS-standardisto, johdon raportointi, kontrollikäytäntö, tilinpäätösraportointi, yhtiötason raportointi
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This journey has been a great learning experience. These years of working on this dissertation have taught me so many things, but most importantly taught me to look at life from different perspectives. During this journey many people have supported and helped me to get to this point.

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Oulu, March 2014

Anna-Maija Lantto
List of original essays

This thesis is based on the introductory chapter and the following essays:


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1 Introduction

In June 2002 approximately 7,000 companies listed on the European Union’s (EU) markets were required by the European Commission to comply by 2005 with International Financial Reporting Standards (IFRS) in regard to their consolidated financial statements. Although the previous literature (e.g. Schipper 2003, 2005, Bennett et al. 2006, Carmona & Trombetta 2008) provides some insights into how IFRS might change accounting practice, the black box of the IFRS adoption from the perspective of the preparer of accounting information still remains closed. We still have much to learn about IFRS adoption and its impacts on and implications for accounting practice. Overall, the financial and management accounting literature (see e.g. Simon et al. 1954, Hopper 1980, Friedman & Lyne, 1997, Granlund & Lukka 1998a, Byrne & Pierce 2007, Maas & Matějka 2009) provides very little empirical knowledge of corporate reporting and financial accounting practice. The previous accounting literature (see e.g. Nair & Frank 1980, Nobes 1983, 1998, d’Arcy 2001, Ding et al. 2007) identifies the reasons for international differences in financial reporting, presents some features concerning specific accounting systems and identifies some differences between accounting standards. However, there is no comprehensive picture of what differences there are between a different set of accounting standards, whether these differences impact on and have implications for accounting practices and if yes how. Thus as Kaplan (2011) argues, we are indeed too distanced from the accounting process and know little about challenges in the environment in which accounting is practiced.

This dissertation is a study of accounting practice. It will open up the black box of the IFRS adoption but also financial accounting and corporate reporting under IFRS. Moreover, it compares accounting practice under IFRS with so-called ‘continental European accounting’. The dissertation examines the reporting process but also number production. It provides insights into the IFRS adoption but in particular it provides case studies of accounting and control practices and develops theoretical explanations for these practices such as number production and reporting process (see e.g. Hopper & Powell 1985, Hopwood 1983, 1987, Humphrey & Scapens 1996). Thus the dissertation sheds light on the adoption from the perspective of the preparer of accounting information in a continental European context. It does this on three different levels: the organisational, the accounting function and the individual level.
The rest of the introduction is organised as follows. Next, it presents the background of the dissertation. This is followed by a definition of the purpose of the dissertation and a description of the methodology. After describing the methodology, the original essays of the dissertation are summarised. Finally, the contribution and the implications of the dissertation are defined.
2 Background

2.1 Continental European accounting vs. IFRS

The majority of countries adopting IFRS, Finland among other European countries, have traditionally been classified as those where reporting systems are designated to serve creditors and fulfil taxation purposes: the so-called ‘continental European accounting’ (see e.g. Nobes 1998, d’Arcy 2001, on financial reporting in Finland see e.g. Virtanen 2009, Näsi & Virtanen 2003, Järvenpää 1996). Just a few decades ago the accounting standard setting was politicised, governments had established or controlled national accounting standards, accounting had served mainly the state’s purposes and financial statements had been dominated by tax rules in these countries (Nobes 1983, on Finland see e.g. Virtanen 2009, Näsi & Virtanen 2003, Järvenpää, 1996).

However, IFRS designated to provide high quality public financial reporting have been classified as so-called ‘Anglo-Saxon accounting’ which emphasises the importance of equity markets, the provision of relevant information on performance and the assessment of future cash flows in order to facilitate decision-making (see Nobes 1998, d’Arcy 2001). According to Nobes (1998: 167) the conceptual frameworks used by the rule-makers of the U.S., the U.K., Australia and the International Accounting Standards Committee (IASC) make it clear that “they are concerned with reporting financial performance and enabling the prediction of future cash flows for relatively sophisticated outside users of financial statements of large companies”.

The previous literature (see e.g. Nair & Frank 1980, Nobes 1983, Nobes 1998, d’Arcy 2001) identifies the reasons for international differences in financial reporting and presents features concerning specific systems. However, there are fewer studies identifying the differences between accounting methods. d’Arcy (2001) finds that the North-American cluster is more oriented to capital market users – i.e. accounting methods are market-orientated and require adequate

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1As in the study by Nobes (1998), in this introduction the term ‘accounting system’ is used to mean the financial reporting standards used by an enterprise.
2Or some researchers use the category ‘European cluster’.
3E.g. Finland, France, Germany & Italy.
4Or some researchers use the category ‘North American cluster’.
5Nowadays International Accounting Standards Board (IASB).
6Such as whether cash flow statements or earnings per share disclosure is required.
presentation – than the European cluster. Ding et al. (2007) develop such indices as absence and divergence\(^7\) to measure the extent of differences between the domestic accounting standards (DAS) and the International Accounting Standards (IAS or nowadays IFRS).

However, at the time of IFRS adoption there was no detailed empirical evidence on the differences between IFRS and DAS of the European countries. Although “GAAP 2001: A Survey of National Accounting Rules Benchmarked against International Accounting Standards” (Nobes 2001) reports the differences between the DAS of different countries and IAS, it does not summarise (and categorise) the differences between the DAS of countries following ‘continental European accounting’ and IAS/IFRS. Moreover, notable was also that the identification of the differences in standards would have been impossible without empirical data because the DAS of many countries allowed appliers to choose whether or not to follow the standards that are congruent with IFRS (see e.g. Nobes 2001) before the mandatory adoption. Therefore, at the time of IFRS adoption it was unknown how many companies actually followed IAS/IFRS in Europe and if they did – which IAS/IFRS-standards they followed. Moreover, empirical data should have been from a specific year before mandatory adoption to provide a comprehensive picture of the differences between DAS and IFRS at the time of IFRS adoption. This is because the IASB was developing its standards as a continuous process at the beginning of 2000s. Therefore, only empirical data from the year 2004, for example, would have provided a comprehensive picture of adoption because companies applied for the first time such important and salient standards as Business combinations IFRS 3 or revised Impairment of assets IAS 36 and Intangible assets IAS 38.

\[2.2 \quad \text{IFRS adoption}\]

IFRS adoption from the perspectives of firms as well as accountants and managers is still a scantily studied area. The previous literature (e.g. Jermakowicz & Gornik-Tomazewski 2006, Jones & Higgins 2006) reports that the adoption process was costly, complex and troublesome for most firms, causing a lot of extra work for accounting professionals. Moreover, the overall breadth and scale

\(^7\)Ding et al. (2007: 3) defines that “Absence measures the difference between DAS and IAS as the extent to which rules regarding the same accounting issue are missing in DAS while covered in IAS” and “Divergence measures the difference between DAS and IAS as the extent to which rules regarding the same accounting issue differ in DAS and IAS”.
of the IFRS implementation task is argued to be greater for larger firms (Jones & Higgins 2006). Most of the firms listed on major European stock exchanges would not voluntarily have adopted IFRS (e.g. Jermakowicz & Gornik-Tomazewski 2006). In addition to the academic literature, practitioners provide support to the argument that reporting under IFRS is very demanding. In the late 2000s, the Chartered Institute of Management Accountants (CIMA) announced IFRS adoption as the most significant development in the area of the financial reporting process but also that reporting in accordance with IFRS as very complex. When CIMA (2009: 1) conducted a straw poll of members, 94% of respondents agreed that the complexity of corporate reporting had increased over the previous five years.

Financial accounting studies (see e.g. Schipper 2003, 2005, Bennett et al., 2006, Carmona & Trombetta 2008) provide some insights into how IFRS might change accounting practice. Firstly, these studies anticipate that IFRS will bring new challenges to accountants working in Europe because IFRS standards are relatively more principles-based. One of the key issues is argued to be the fact that, as relatively more principles-based standards, IFRS require accountants to “grasp a comprehensive understanding of the business and economic fundamentals of transactions and events before deciding on its accounting treatment” (Carmona & Trombetta 2008: 457). Therefore IFRS are expected to impose different requirements on practitioners, i.e. regarding educational background and professional skills (see Carmona & Trombetta 2008). Secondly, these studies provide interesting insights on how fair value measurement emphasised by IFRS sets new requirements to practitioners. Schipper (2003, 2005) provides discussion on how fair value measurements required by IFRS should have implications on accounting education. She argues that fair value measurements require a different way of thinking as well as a different set of skills than previous practice and therefore the level of training provided is not sufficient to develop the required expertise.

2.3 Corporate reporting and financial accounting

Academic literature provides little knowledge on how corporate/financial reporting is organised, although the literature (e.g. Siegel & Sorensen 1999, Malmi et al. 2001) argues that reporting is one of the most important and common activities of management accountants. Both the management and financial accounting literature (see e.g. Granlund & Lukka 1998a, Maas &
Matějka (2009) describe a ‘functional responsibility’ or corporate reporting in general terms. The literature (see e.g. Granlund & Lukka, 1998a, Maas & Matějka 2009) argues that the preparation of information under the generally accepted accounting principles (GAAP) for corporate control/reporting and financial reporting seems to be realised in cooperation between accountants working in the centralised and the decentralised parts of accounting. For example, by examining Finnish firms, Granlund and Lukka (1998a) suggested that the decentralised part produces standardised and timely financial information for the use of corporate reporting and the centralised part prepares consolidated periodic reports.

In addition to the organisation of financial/corporate reporting, actual production of numbers has received little attention. Although Hines (1988: 251–257) illustrated how “in communicating reality, you construct reality” twenty five years ago, both the management and financial accounting literature has mainly seen number production as “technical” practice, accountants responsible for the production as “technical people” and under emphasised that “people think and act on the basis of that picture” made by people responsible for reporting.

The literature (e.g. Simon et al. 1954) identifies such roles of accounting as scorekeeping, attention directing or problem solving. Furthermore the roles of accountants have been categorised by whether they focus on compliance reporting or control issues or providing relevant information for management decision making in business units\(^8\) (e.g. Friedman & Lyne 1997, Emsley 2005). Moreover, such categories have been called as ‘service role’ and ‘bookkeeper’ (see Hopper 1980) or ‘bean counter’ and ‘business partner roles’ (see e.g. Friedman & Lyne 1997, Granlund & Lukka 1998a, Vaivio & Kokko 2006). Many of these studies have presented/characterised two roles such as ‘bean counter’ and ‘controller’ or ‘business partner’ as opposites and/or simplified extremes. The literature (e.g. Friedman & Lyne 1997, Granlund & Lukka 1997, 1998a) characterises the ‘traditional’\(^9\) role of accountants as being responsible for the production of financial, historic information and preparation of consolidated periodic reports and especially financial accounting reports. For example, by interviewing accountants or previous accountants in six Finnish firms, Granlund and Lukka

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\(^8\)Some of the previous studies use also the terms \textit{involvement} and \textit{independence} (see e.g. Simon et al. 1954, Hopper 1980, Sathe 1982). For example, Mouritsen (1996: 297) states that “the independent accounting department is primarily ‘outside’ organisational activities and provides reliable financial data” while “involvement occurs when the accounting department takes part in management activities or serves the management team to influence the affairs of the firm”.

\(^9\)‘Bookkeeper’ or ‘bean counter’. 

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(1998a) characterise ‘bean counter’ type of accountants as information collectors and processors who are not expected to have knowledge of the business in which the firm operates. Moreover, they further suggest that “for these ‘bean-counter’ people, personal communication is typically directed into the accounting function only and their communication to the outside of the accounting function concentrates on written reports” (Granlund & Lukka 1998a: 199).

The latest literature examining the role of management accountants lends some support to the view that the role of accountants is changing from that of bean counters to business partners (see e.g. Granlund & Lukka 1998a, Järvenpää 2002, 2007, Burns & Baldvinsdottir 2005). The development of accountants’ role models is argued to be linked to the increasing decentralisation of the management accounting function (see Granlund & Lukka 1998a, Burns & Baldvinsdottir 2005, Järvenpää 2007). The decentralised part of management accounting becomes part of the business unit or/and operates closer to the business operations. This makes possible greater interaction between accountants and managers (see e.g. Hopper 1980). These decentralised management accountants produce standardised and timely financial information for the use of corporate reporting, financial control, but also decision support in the local units (Granlund & Lukka 1997, 1998a).

Although academic research (e.g. Burns & Baldvinsdottir 2005, Järvenpää 2007, Goretzki et al. 2013) has provided longitudinal case studies of the role change, traditional accounting duties such as corporate/financial reporting has received little attention. The literature characterises ‘new’ team/business/process-oriented roles and skills required in/from them. However, it is not well understood what ‘traditional’ responsibilities require from accountants. Moreover, there is little empirical research about the possible changes in ‘traditional’ tasks and the centralised parts of the accounting function, which has been argued to take care of such tasks as consolidated corporate reporting. The ‘traditional’ tasks and the task of the centralised parts of the accounting function may be even more important from a managerial point of view nowadays, as there is a tendency to integrate financial and management accounting systems (e.g. Joseph et al. 1996, Drury & Tayles 1997, Granlund & Lukka 1998a, Wagenhofer 2006, Weißenberger & Angelkort 2011). Thus many companies have made the decision to follow similar figures in internal reports as in external reports. In other words, the financial accounting records may be used as a database for reporting and performance measurement. This may have different implications for organisational practices.
Weißenberger and Angelkort (2011) argue that the integration has a positive impact on controllership effectiveness.

By surveying EU publicly traded companies Jermakowicz and Gornik-Tomazewski (2006: 190) reported that a majority of companies “implemented or are in the process of implementing IFRS for more than just consolidation purposes, with an ultimate goal of achieving harmonization of internal and external reporting”. Jones and Luther (2005) draw upon perceptions and expectations of German managers in three companies and two management consultancy firms and conclude that managers face an important choice in the development of their information systems because of IFRS adoption. They argue that managers have to choose whether financial and management accounting systems will be integrated in a way that might change established controlling practices. Moreover, they provide interesting insights into how the integration might have implications for financial accounting and controlling departments in the German context where these two areas of responsibilities have been separated. Finally, Jones and Luther (2005: 184) report that “profit-oriented measures had become highly significant in the monitoring of managers” and that “from both an organizational and personal perspective, financial accounting had become more important to” the German managers they interviewed. Taken together, the literature supports the view that management control systems are becoming (or have become) more financially oriented in continental Europe. However, little is known as to whether – and if yes how – IFRS adoption has implications for control in firms following ‘continental European accounting’.

Although the academic management accounting literature have noted the homogenising pressures in the area of financial accounting (see e.g. Granlund & Lukka 1998b), little is known about their possible implications for the practices of accountants. Overall, the evidence of the impact of such an institutional force as regulation on accountants’ work is a scantily examined (see e.g. Byrne & Pierce 2007). By interviewing 18 financial managers and 18 operational managers in medium and large manufacturing firms, Byrne and Pierce (2007) found that the recent implementation of the Sarbanes-Oxley (SOX) legislation in subsidiaries of US multinational enterprises had consequences for the role of management accountants making them more remote from operations. According to Byrne and Pierce (2007) this may have affected the interaction between management accountants and operational managers. However, Byrne and Pierce (2007) stated that further research is needed on particular antecedents, characteristics and consequences to develop them in respect of the roles of management accountants.
in specific organisational contexts. Moreover, research about the implementation of SOX and its impacts is needed to ascertain whether the impacts of the implementation are lasting.
3 The purpose of the dissertation

Although there has been some discussion (see e.g. Schipper 2003, 2005, Bennett et al. 2006, Carmona & Trombetta 2008) of how IFRS might change accounting practice, overall we still have much to learn about corporate reporting and financial accounting practice. This dissertation provides valuable information of corporate reporting and financial accounting practice under different sets of accounting standards. More precisely, the purpose of this dissertation is to provide a comprehensive picture of IFRS adoption from perspective of the preparer of accounting information in a continental European context. The dissertation opens the black box of financial accounting and corporate reporting in accordance with IFRS and continental European accounting. In other words, the dissertation examines the differences between IFRS and continental European accounting and analyses whether these differences impact on and have implications for accounting and controlling practices and if yes, how. Hence, the dissertation provides case studies of the accounting and controlling practices and develops theoretical explanations of these practices (see e.g. Hopper & Powell 1985, Hopwood 1983, 1987, Humphrey & Scapens 1996).

Firstly, the dissertation shed light on the context of the organisations as well as the accountants studied. Thus the first essay of the dissertation provides knowledge of the context where organisations and accountants operate. As described here, there is no empirical evidence with regard whether IFRS differ from continental European accounting and if yes, how. Therefore, the purpose of the first essay is to show how IFRS differ from continental European accounting and how the differences impact on accounting numbers.

The other three essays are case studies of accounting and controlling practices. The second, third and fourth essays shed light on the process of IFRS adoption and reporting work under IFRS by analysing the accounting and control practices and processes in the case organisations. To provide a comprehensive picture, the dissertation provides knowledge of the adoption from the preparer’s perspective at three different levels: organisational, accounting function and individual accountant’s level.

The second essay sheds light on the process of IFRS adoption at an organisational level. While the previous accounting literature suggests that IFRS are given or have assumed a bigger role in organisation than is required by law

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10Financial reporting regulation context.
and that IFRS adoption may not only have implications for financial reporting practice but also for other organisational practice, i.e. management control practice, the second essay examines whether this actually happens and if yes how.

The third essay of the dissertation examines whether – and if yes how - IFRS adoption has implications for the accounting function and financial/corporate reporting work. In other words, the third essay analyses IFRS adoption and its impact and implications for an accountant’s role, positions, practices and work in a continental European context.

The fourth essay of the dissertation addresses hybridisation of financial accounting in the continental European context. The essay argues that financial reporting was hybridised in IFRS adoption. The essay examines hybrid processes, practices and expertise that made hybridisation of financial accounting, i.e. number production, possible. Finally, the essay examines whether – and if yes how – the hybridisation is consequential for an accountant.
4 Methodology

The first essay of the dissertation provides quantitative analysis of the differences between IFRS and DAS of a country following the continental European accounting. Moreover, the essay reports how these differences impact on accounting numbers. However, the general approach taken to studying IFRS adoption from the perspective of the preparer of accounting information in this dissertation is a qualitative approach.

As with other qualitative field research, this dissertation shares the assumption that “[s]ocial reality is emergent, subjectively created, and objectified through human interaction” (Chua 1986: 615). Thus the qualitative methodology allows exploring aspects of social order that are subjectively created through the interaction of actors. Like other studies based on social constructivism\(^\text{11}\), this dissertation shares the idea that reality is constructed through human activity and that knowledge is a human product\(^\text{12}\).

Moreover, the dissertation adopts the interpretative approach and analyses social realities by paying attention to the ways in which they are constructed and negotiated (see e.g. Hopper & Powell 1985). Typical to interpretative studies, the present dissertation provides both emic and etic insights (see e.g. Ahrens 2008, Kakkuri-Knuutila et al. 2008). In other words, it provides actors’ as well as the researcher’s interpretations of the studied phenomena (Ahrens 2008, Kakkuri-Knuutila et al. 2008, Chua 1986, Hopper & Powell 1985).

In this dissertation the field as social reality is made sense of and defined by theories that illuminate the activities studied (Ahrens & Chapman 2006). While IFRS adoption from the perspective of the preparer of accounting information is an unexplored and untheorised research area, the purpose of the dissertation is to develop theoretical explanations of the unexplored practices and processes related to the adoption and financial/corporate reporting in general. Thus the approaches and concepts which best illuminate these practices, e.g. controlling, learning and knowledge creation, were chosen to shed some light on these unexplored practices.

The second essay uses the ‘interesement’ model developed by Star and Griesemer (1989) to analyse the cooperation between two worlds, i.e. financial reporting and management accounting and how one group of actors, i.e.

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\(^{11}\)Social constructionism.

\(^{12}\)Socially and culturally constructed.
accountants, manage the tension between different viewpoints. In addition, the second essay borrows the concept of boundary object (Star & Griesemer 1989) to define objects used to manage diversity and cooperation between different parties. The third essay adopts the community of practices approach (Lave & Wenger 1991, Brown & Duguid 1991, Wenger 1998) to analyse the roles, positions, mechanisms and practices used to organise reporting under IFRS. The fourth essay adopts the concepts of horizontal learning and boundary crossing (Engeström et al. 1995, Tuomi-Gröhn et al. 2003) and Beach’s (1999, 2003) sociocultural approach to transfer, i.e. consequential transitions, to further explicate hybridisation of financial accounting and analyse whether – and if yes how – hybridisation (transitions) is consequential for the individual accountants. All of the approaches adopted are based on the social constructivist perspective according to which reality cannot be discovered but is instead constructed through human activity. These approaches are helpful in analysing how two perspectives, communities or worlds, i.e. accounting and business, are connected or combined or how the work of them is coordinated. Thus the approaches help to pay attention to the horizontal dimension of accounting (on horizontal dimension see e.g. Chenhall 2008).
5 Summary of the essays

5.1 Impact of International Financial Reporting Standard adoption on key financial ratios (Essay 1)

Although earlier studies (e.g. Barth et al. 2008, Bartov et al. 2005, Daske & Gebhardt 2006) examine whether the adoption of IFRS lead to improved accounting quality in continental European countries and whether the differences in accounting standards affect financial reporting quality, it does not report what kind of impacts these differences have on the accounting numbers and key financial ratios. The purpose of the first essay is to fill this gap by measuring the impact of IFRS adoption on key financial ratios in a continental European country, i.e. in Finland.

The first essay uses a three-step approach to examine the issue. First, a comprehensive database of financial statement information prepared under the DAS and IFRS from the published transition reports\textsuperscript{13} was created. Second, by using the database created the differences between financial ratios calculated on the basis of the DAS and IFRS for the same reporting period were considered to examine whether IFRS changes key financial ratios. Third, the main reasons for the differences were examined by analysing the differences in the DAS-based and IFRS-based financial statement items and accounting practices.

The results of the first essay indicate that the adoption of IFRS changes the magnitudes of the key accounting ratios of Finnish companies. The results show that after converting financial statements from DAS-based to IFRS-based the profitability ratios increase by 9–19% and the PE ratio decreases by 11%. Moreover, the results show a 2.9% increase in gearing and a 0.7% decline in equity ratio. In addition, our results show that quick ratio decreases by 0.2%. Only the value of the current ratio among the ratios investigated does not change significantly after converting from the DAS to IFRS. The results of the first essay show that the adoption of rules concerning fair value accounting, lease accounting, income tax accounting as well as rules concerning the accounting of financial instruments explain the changes in the key accounting ratios.

The first essay contributes to the literature on the economic consequences of IFRS adoption (e.g. Barth et al. 2008, Bartov et al. 2005, Daske & Gebhardt 2006, Ding et al. 2007, Hope et al. 2006, Jones & Higgins, 2006) by investigating the

\textsuperscript{13}Sample of 91 firms (mandatory IFRS adoption).
impact of IFRS adoption on key accounting ratios as well as showing which financial statement items and individual IFRS/IAS standards explain the differences in the key accounting ratios in a continental European country.

5.2 The intersection of the financial reporting and management accounting worlds: a case study of reporting work in accordance with International Financial Reporting Standards in an organisation having an integrated management accounting system (Essay 2)

Although the latest studies (Hemmer & Labro 2008, Taipaleenmäki & Ikäheimo 2013) suggest that the worlds of financial reporting and management accounting are converging, it is acknowledged that external financial reporting and management accounting are distinct social worlds (on social worlds see Star & Griesemer 1989). The existing research (e.g. Kaplan 1984, Hopper et al. 1992, Joseph et al. 1996, Drury & Tayles 1997, Granlund & Lukka 1997, 1998, Burns & Baldvinsdottir 2005, Jones & Luther 2005, Weißenberger & Angelkort 2011) discusses or provides empirical evidence on how financial accounting and management accounting tasks are different sets of responsibilities, how the information needs of managers may differ from those of investors and how accountants in charge of financial reporting answer to a different set of audiences than do management accountants acting as such as ‘business partners’ (on ‘business partners’ see e.g. Järvenpää 2007).

In recent years, the cooperation between these two worlds has increased due to at least two different reasons. Firstly, as Lantto (2014) reports, IFRS requires more ‘business involvement’ in accounting than their counterparts in the domestic accounting standards (henceforth DAS). Therefore, an accounting and a business perspective are required to communicate more often under IFRS than under DAS (Lantto 2014). Secondly, the requirement for cooperation between accounting and business is emphasised because of the use of IFRS as a ‘language’ to evaluate performance. In other words, there is need for cooperation between the accountants responsible for reporting and the managers using a new ‘language’ to evaluate the performance (Lantto 2014).

In summary, although it is argued in the literature that the two worlds have divergent viewpoints and that the integrated design of management accounting systems as well as IFRS as a reporting ‘language’ require cooperation between the two worlds, we still have much to learn about the cooperation.
This study contributes to the literature on the connection between financial reporting and management accounting (e.g. Kaplan 1984, Johnson & Kaplan 1987, Hopper et al. 1992, Joseph et al. 1996, Scapens et al. 1996, Drury & Tayles 1997) as well as the literature examining or discussing their integration (Jones & Luther 2005, Weißenberger & Angelkort 2011). More precisely, it analyses the cooperation between two worlds; i.e. financial reporting and management accounting in a Finnish case firm listed on the stock exchange, and shows how one group of actors, i.e. accountants, manage the tension between different viewpoints and the need to report one set of numbers which are used in internal and external reports. Hence the study contributes to the literature (e.g. Joseph et al. 1996, Jones & Luther 2005, Weißenberger & Angelkort 2011) by shedding useful light on the information needs of different perspectives and how the information needs emerge during IFRS adoption in the case firm. Moreover, this study shows how both IFRS and the integrated design of management accounting system require cooperation between the two worlds and the requirement for cooperation expects those responsible for reporting to ‘interest’ those representing the business perspective. More precisely, the study adopts the ‘interessement’ model developed by Star and Griesemer (1989) to describe how the accountants create the standardized forms and boundary objects which become central for translating between the two different viewpoints. Finally, this study suggests that the creation and management of two types of boundary objects; repositories and standardized forms, became a key process in developing and maintaining coherence across the intersecting worlds (see also Bowker & Star 1999). Hence, the study extends the literature (e.g. Kaplan 1984, Johnson & Kaplan 1987, Hopper et al. 1992, Joseph et al. 1996, Scapens et al. 1996, Drury & Tayles 1997) by suggesting that the two worlds can coexist while the boundary objects maximise both the autonomy as well as communication between these two worlds.

5.3 Business involvement in accounting: a case study of International Financial Reporting Standards adoption and the work of accountants (Essay 3)

Although Byrne and Pierce (2007) find that an increasing regulatory burden may decrease accountants’ chances of getting involved in business, little is known about corporate reporting practice and whether, and if yes how, regulation impacts on accountants’ work. In order to fill this gap the third essay provides a case study analysis of International Financial Reporting Standards (IFRS) adoption and its
impact on and implications for an accountant’s role, positions, practices and work in a continental European context.

The third essay will open up the black box of the IFRS adoption and reporting under IFRS by addressing the following questions: How do IFRS differ from the domestic accounting standards (DAS)? What kind of impacts do the new requirements have on reporting work and what are the implications of the adoption with regard to the role of accountants and their positions and practices in a case firm following so-called ‘continental European accounting’?

The third essay is a case study and thus provides an in-depth analysis of the new regulatory requirements and their impact on/implications for organisational practices. The study is concerned with the time period from 2002 to 2009 and was started by collecting some preliminary data on IFRS adoption in Finland by conducting the surveys of firms adopting IFRS and auditors auditing firms adopting IFRS in November 2005. The principal sources of data are interviews and more informal conversations conducted between June 2007 and May 2009. Moreover, the fieldwork also includes direct observation and notes from informal conversations. Finally, the research material was supplemented by the collection of internal documents and publicly available materials, the homepages of the firm and newspaper features.

The third essay contributes to the previous literature (e.g. Byrne & Pierce 2007) by examining the impact of regulation on accountants’ work by arguing that it depends on the set of accounting standards as to how they impact on accountants’ work. The essay argues that IFRS requires accountants but also others involved in accounting to take more responsibility for reporting. However, the essay also shows how in practice this means that business is required to become more involved in accounting. While previous literature (e.g. Simon et al. 1954, Hopper 1980, Sathe 1982, Mouritsen 1996) has described how accountants or accounting departments are involved in operational management or business, the essay argues that an important issue affecting accountants’ work is also the degree to which business, operational matters and the management’s views become involved in accounting. Moreover, the essay argues that the responsibilities and specialisations of the accountants needed for reporting under IFRS are not necessarily in conflict with other responsibilities, such as the ‘business partner’ role of accountants (on ‘business partner’ see e.g. Granlund & Lukka 1998a, Järvenpää 2002, 2007, Burns & Baldvinsdottir 2005, Goretzki et al. 2013) since business knowledge and connection to business is also appreciated by IFRS. Finally, the essay enhances our understanding of reporting activity by
describing the actual practices of and mechanisms used in corporate reporting since corporate reporting activity was only defined before in general terms (e.g. Granlund & Lukka 1998a, Maas & Matějka, 2009). More precisely, the essay illuminates the usefulness of the concept of situated learning (Lave & Wenger 1991) and the communities of practices approach (Lave & Wenger 1991, Broun & Duguid 1991, Wenger 1998) in explaining/defining roles and objects important in ensuring the reporting under IFRS and the mechanisms through which IFRS knowledge is created and transferred.

5.4 Hybridisation of financial accounting: accountants participating in encompassing transitions (Essay 4)

The fourth essay addresses hybridisation of financial accounting in the continental European context. More precisely, the essay argues that financial accounting was hybridised when the two elements i.e. accounting and business/operational expertise were combined to produce numbers in accordance with IFRS. The essay explores this hybridisation process and examines how it is possible, i.e. how managers’ forecasts become part of number production by studying the two case firms. Thus the essay responds to the call by Miller et al. (2008), Chenhall (2008) and Hopwood (1996) by paying attention to the lateral processing of information. However, the essay also argues that concepts of horizontal learning, boundary crossing (see e.g. Engeström et al. 1995) and Beach’s (1999, 2003) sociocultural approach to transfer, i.e. consequential transitions, are useful in further explicating different forms of hybridisation and analysing whether – and if yes how – hybridisation (transitions) is consequential for an individual (accountant).

The fieldwork was conducted in the time period from 2005 to 2010. The essay draws on a rich and extensive field material such as numerical data about the transition from FAS to IFRS, basic information about the adoption (collected by surveying key actors of financial reporting), publicly available inscriptions on the IFRS adoption, interviews and more informal conversations conducted between November 2006 and May 2009 in the two case firms, internal documents and publicly available materials such as the annual reports of the two case firms.

By documenting how the two elements, i.e. standards and business/operational matters, were combined the essay shows how the hybridisation of financial accounting was possible through hybrid practices, processes and expertise. However, the essay also argues that, more precisely, hybridisation was possible through horizontal learning in which accountants cross

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functional but also organisational boundaries. Moreover, the essay argues that, depending on the case, horizontal learning was somewhere along a continuum between application (or use) of something that has been acquired elsewhere and construction of new knowledge and skills understood as transformation (Beach 1999, Tuomi-Gröhn et al. 2003). The essay shows how in some cases the hybrid practices and processes were about the accountants crossing a boundary and acquiring operational or business knowledge and were also about the accountants and the operational/business people cooperating to find solutions. Thus the present essay argues that the concepts of horizontal learning (see e.g. Engeström et al. 1995) and the sociocultural approach to transfer (Beach 1999, 2003, Tuomi-Gröhn et al. 2003) are useful in understanding the ways accounting expertise is combined with business or operational expertise. Thus the essay suggests that these concepts are useful in further explicating different forms of hybridization and could be linked to it. Finally, the essay argues that Beach’s (1999, 2003) four types of consequential transitions also provide a useful conceptual framework for analysing an individuals’ development because of the hybridisation. Hence the essay also contributes to the previous management and financial accounting literature (see e.g. Friedman & Lyne 1997, Granlund & Lukka 1998a, 1997, Schipper 2003, 2005, Carmona & Trombetta 2008) by opening up the black box of the IFRS adoption and describing how the adoption has implications for the work and required skills of individual accountants.
6 Contribution and the implications of the dissertation

This dissertation provides a comprehensive picture of IFRS adoption from the perspective of the preparer of accounting information in a continental European context. Since the dissertation examines the adoption of accounting classified as so-called ‘Anglo-Saxon’ accounting\(^\text{14}\) in a continental European context, it also addresses two main clusters’, i.e. Anglo-Saxon accounting and continental European accounting, differences and their impacts on and implications for accounting and control practices in general.

Previous accounting literature (see e.g. Nair & Frank 1980, Nobes 1983, 1998, d’Arcy 2001, Ding et al. 2007) identifies the reasons for international differences in financial reporting, presents some features concerning specific accounting systems and identifies some differences between accounting methods. However, there is no comprehensive picture of what differences there are between a different set of accounting standards, whether these differences impact on and have implications for accounting practices and if yes how. Moreover, both practitioners (e.g. CIMA) and the academic financial accounting literature (e.g. Schipper 2003, 2005, Bennett et al. 2006, Jermakowicz & Gornik-Tomazewski 2006, Jones & Higgins 2006, Carmona & Trombetta 2008) shed some light on the features of IFRS and provide some insights into how IFRS might change accounting practice. However, both financial and management accounting literature (see e.g. Simon et al. 1954, Hopper 1980, Friedman & Lyne 1997, Granlund & Lukka 1998a, Byrne & Pierce 2007, Maas & Matějka 2009) provide very little empirical knowledge of corporate/financial reporting and number production practice.

This dissertation contributes to the literature in several ways. First, it opens up the black box of the IFRS adoption in a continental European context by describing how IFRS differs from continental European accounting and how the IFRS adoption changes accounting methods. The first essay of the dissertation reports how IFRS differ from DAS of a country following the continental European accounting and how these differences impact on reported numbers. However, the dissertation, and more precisely the second, the third and the fourth essays, open up the black box of IFRS adoption and its impacts on and implications for accounting practice. The three essays define the key features of

\(^{14}\)Or ‘North American cluster’(see e.g. d’Arcy 2001).
IFRS from the perspective of the preparer of the accounting information using the two case firms. Figure 1 presents the key findings of the dissertation.

As Figure 1 illustrates, the dissertation documents how four features of IFRS have impact on and implications for accounting and controlling practices in the two case firms. First, IFRS includes principles-based standards. Second, IFRS have adopted the assets/liability approach. Third, IFRS are comprehensive. Fourth, IFRS are developed as a continuous process.

Moreover, as Figure 1 illustrates, the dissertation argues that the four features of IFRS, but especially principles-based standards and assets/liability approach, emphasise business involvement (or close connection with business/operation) in accounting. The second, the third and the fourth essays use four different standards, i.e. Leases (IAS 17), Business Combinations (IFRS 3), Impairment of Assets (IAS 36) and Provisions, Contingent liabilities and Contingent Assets (IAS 37), to illustrate how IFRS require more business involvement in accounting than their counterparts in the DAS.

As Figure 1 shows, the third essay defines how IFRS emphasised the business involvement in accounting or close connection between accounting and
business. Moreover, the third essay reports the impacts and implications for an accountant’s role, positions, practices and work by showing how the case firm A organises business involvement. The essay contributes to the literature (e.g. Byrne & Pierce 2007) by concluding that it depends on the set of accounting standards as to how they impact on accountants’ work. While previous literature (see e.g. Simon et al. 1954, Hopper 1980, Sathe 1982, Mouritsen 1996) has described how accountants or accounting departments are involved in operational management or business, the essay argues that an important issue affecting accountants’ work is also the degree to which business, operational matters and the management’s views become involved in accounting. Moreover, the third essay presents that the responsibilities and specialisations of the accountants needed for reporting under IFRS are not necessarily in conflict with other responsibilities, such as the ‘business partner’ role of accountants (on ‘business partner’ see e.g. Granlund & Lukka 1998a, Järvenpää 2002, 2007, Burns & Baldvinsdottir 2005, Goretzki et al. 2013) since business knowledge and connection to business is also appreciated by IFRS. Finally, since corporate reporting was only defined in general terms before (Granlund & Lukka 1998a, Maas & Matějka 2009), the essay enhances our understanding of corporate reporting activity by describing the actual practices of and mechanisms used in corporate reporting.

As Figure 1 illustrates, the fourth essay shows how the assets/liability approach adopted by IFRS has implications for individual accountants. The essay pays attention to the lateral processing of information and hybrid practices, processes and expertise (Miller et al. 2008, see also Hopwood 1996) enabling lateral flows of information and knowledge. The essay argues that financial accounting was hybridised in IFRS adoption when accounting and business/operational expertise were combined to produce numbers and shows how the hybridisation was possible through horizontal learning in which accountants cross functional boundaries. Furthermore, the essay shows that, depending on the case, the horizontal learning was somewhere along a continuum between application (or use) of something that has been acquired elsewhere and construction of new knowledge and skills understood as transformation (see also Beach 1999, Tuomi-Gröhn et al. 2003). Thus the essay argues that in some cases the hybrid practices and processes were about the accountants crossing a boundary and acquiring operational/business knowledge but they were also about the accountants and the operational/business people cooperating to find solutions. Hence, the fourth essay shows how business becomes involved in accounting in different ways and argues that the concepts of horizontal learning (see e.g.
Engeström et al. 1995) and the sociocultural approach to transfer (Beach 1999, 2003, see also Tuomi-Gröhn et al. 2003) are useful in understanding the ways accounting expertise is combined with business expertise. In other words, the essay argues that these concepts could be linked to hybridization.

Moreover, the fourth essay argues that Beach’s (1999, 2003) sociocultural approach to transfer provides a useful conceptual framework to analyse the accountants’ development from FAS to IFRS expert. The essay documents how cases requiring value measurement using the management’s forecasts represented transitions which were consequential for the individual accountants. The study shows how the accountants participating in these transitions (Beach 1999, 2003) experienced the process of adapting to changing circumstances and describes the changes in the accountants’ knowledge, skills and identity. Finally, since little is known about the production of accounting numbers and accountants responsible for the production (see e.g. Simon et al. 1954, Hopper 1980, Sathe 1982, Mouritsen 1996, Friedman & Lyne 1997, Granlund & Lukka 1997, 1998a), the fourth essay enhances our understanding of the production practice and skills and knowledge required from an accountant responsible for the production under IFRS as well as the DAS.

As Figure 1 presents, the characteristics of IFRS open up the black box of the IFRS adoption and thus explain IFRS’s impacts on and implications for accounting practices. However, the dissertation also argues that integrated reports were another important issue requiring a close connection between accounting and business. All three essays of the dissertation report how and why IFRS were also started to be followed in internal reports in the two case firms studied, as was the case in many other European firms (on IFRS adoption of European firms see Jermakowicz & Gornik-Tomazewski 2006) at the time of IFRS adoption. Moreover, the dissertation documents how the IFRS adoption was a significant organisational matter in the two case firms, because the accountants were not only required to learn to prepare reported information in accordance with the new standards but also had to analyse the information and pass on that know-how about the standards to the managers using information prepared in accordance with the new standards in decision-making. Thus the dissertation argues that the needs of IFRS, i.e. business involvement, and the decision to think

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15 The financial accounting records are used as the main data bases for management accounting/control; i.e. reporting and performance measurement.

16 Or could be argued to represent one kind of ‘business involvement’ in accounting.
and talk in IFRS language, brought the two parties i.e. accounting and business (operational matters) closer to each other and required them to find mechanisms to facilitate knowledge transfer between the parties.

While the third and the fourth essays analyse knowledge sharing from the perspectives of accounting, the accountants and managers, the second essay sheds light on adoption from a control perspective. The second essay provides an analysis of why and how IFRS adoption has implications for control. Thus the dissertation does not only develop theoretical explanations of accounting practice in accordance with IFRS but also provides interesting insights on how and why IFRS adoption has implications for control practices in general. More precisely, the second essay analyses the cooperation between two worlds; i.e. financial reporting and management accounting in the case firm (B), and shows how one group of actors, namely accountants, manage the tension between different viewpoints, i.e. financial reporting and management accounting, and the need to report one set of numbers which are used in internal and external reports. Hence the study contributes to the literature (e.g. e.g. Kaplan 1984, Johnson & Kaplan 1987, Hopper et al. 1992, Joseph et al. 1996, Scapens et al. 1996, Drury & Tayles 1997, Jones & Luther 2005, Weißenberger & Angelkort 2011) by shedding valuable light on the information needs of different perspectives, i.e. compliance control as well as performance control, and how the information needs emerge during IFRS adoption in the case firm.

The essay reports how the repositories and standardized forms created during the IFRS adoption were important both from the compliance and the performance control perspectives (on compliance and performance control see Tessier & Otley, 2012). On the one hand, these repositories and standardized forms ensured successful IFRS adoption and compliance with IFRS, but on the other hand they enabled the predictability of accounting numbers. In other words, they helped managers to estimate the effects of their decisions on the financial statement. The second essay describes how this was an important function of the repositories and standardized forms since in comparison to the effects of DAS, the effects of IFRS on the financial statement were unforeseeable. More precisely, the essay argues that the repositories and standardized forms created during the adoption ensured the predictability of behaviour of actors but also accounting numbers prepared in accordance with IFRS. The essay responds to the call by Weißenberger and Angelkort (2011) by providing insights into the adoption and the design of integrated accounting systems on different hierarchy levels. Finally, the dissertation argues that the very fact that the financial and management reports
were integrated, and that the effects of IFRS on numbers were unforeseeable, brought accounting and business closer to each other.

In sum, the dissertation develops theoretical explanations of how and why business becomes involved in accounting (or accounting and business come closer to each other) and identifies different ways of how business becomes involved in accounting. Moreover, the dissertation provides insights into the implications of business involvements for accounting and control practices at three different levels, i.e. organisation, accounting function and individual accountants. The second essay provides insights into the implications at an organisational level. It studies the IFRS adoption in the case organisation and develops theoretical explanations of its implications for controlling practices. More precisely, it defines why and how the characteristic of IFRS, i.e. unforeseeable numbers, together with the fact that management accounting and financial accounting reports are integrated decides the shape of control practices. Examining the case organisation (A), the third essay opens up the black box of the IFRS adoption and reporting under IFRS. The third essay theorises the key features of IFRS from the perspective of financial/corporate reporting work and reports the impacts on and implications for an accountant’s role, positions, practices and work. The third essay shows how the four features of IFRS emphasise the importance of business involvement (or close connection with business) in accounting and how this business involvement in accounting is organised in the case firm (A). Finally, the fourth essay documents the IFRS adoption in the two case firms and provides insights on the implications from an individual accountants’ perspective. The fourth essay develops theoretical explanations of number production activity in accordance with IFRS. More precisely, it shows how business becomes involved in accounting in different ways by analysing how numbers were prepared under different standards, i.e. different IFRS standards and DAS. The essay argues that financial accounting, i.e. number production, was hybridised because of IFRS adoption and how hybridisation requires horizontal learning from individual accountants. Moreover, it provides insights into why and how the hybridization may be consequential for an individual accountant.

This dissertation highlights and clarifies key features of IFRS from the perspective of the preparer of accounting information. Each of the three essays of the dissertation highlights required business involvement (or close connection with business/operation) in accounting. However, the dissertation also argues that
from the preparers’ perspective this has implications both for accounting and control practices.

In more general terms, the dissertation contributes to the discussion on a horizontal dimension of accounting and lateral processing of information (see e.g. Chenhall 2008, Miller et al. 2008, Hopwood 1996). While a key concern of Chenhall (2008) is how management accounting can be more horizontal, this dissertation provides evidence of how financial accounting becomes more horizontal and has implications for both accounting and control practices. As Figure 2 illustrates, the present dissertation addresses the boundary between accounting and business.

![Figure 2. The closer connection between accounting and business.](image)

On the one hand, the dissertation examines management across two worlds, i.e. accounting and business, and focuses on the role of boundary objects (e.g. Star & Griesemer 1989) used to mediate different worlds, i.e. financial reporting and management decision-making/control. On the other hand, the dissertation highlights learning at the boundaries and how boundaries are seen to carry learning potential (e.g. Wenger 1998, Tuomi-Gröhn et al. 2003). More precisely, the dissertation shows how boundary crossing was used as a strategy to fulfil the requirements of financial/corporate reporting and how boundary objects\(^\text{17}\) as well

\(^{17}\text{On boundary objects see e.g. Star and Griesemer (1989), Wenger (1998, 2000).}\)
as tangible definitions\textsuperscript{18} helped to cross boundaries and supported learning. Finally, the dissertation argues that rather than describing financial accounting and corporate reporting purely as a vertical process, we should pay attention to lateral processing of information that is required by the standards as well as the needs of management.

The dissertation provides also valuable information for practitioners and accounting scholars. The findings of this dissertation may help standard setters to evaluate the consequences and implications of adopting more principles-based standards as well as standards based on the assets/liability approach for companies, accountants and management. The dissertation illustrates the challenges companies, managers and accountants face when adopting a set of standards such as IFRS. Thus the findings of the dissertation may be also of interest to those who are responsible for the education and training of accountants and managers or the organisation of reporting. The dissertation responds to the call by the accounting literature (e.g. Humphrey & Scapens 1996, Kaplan 2011) by providing insights into problems and issues relating to accounting practice and the environment in which accounting is practiced nowadays.

\textsuperscript{18}On tangible definitions see e.g. Bechky (2003).
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Original articles


Reprinted with permission from John Wiley and Sons (I) and Routledge (III).

Original publications are not included in the electronic version of the dissertation.

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INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTION IN A CONTINENTAL EUROPEAN CONTEXT: PERSPECTIVES OF PREPARERS