Anchoring Professional Careers in Shared Service Centres: Reflections on Contemporary Practice

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Abstract

This paper submitted to the CASA E-Leader Conference, Singapore 2013, is part of a PhD project sponsored and funded by the Economic and Social Research Council (ESRC), the Chartered Institute of Management Accountants (CIMA) and the School of Business and Economics at Loughborough University. The research incorporates aspects of the sociology of professions, career theory and global talent management with the endeavour to protect professional traits and behaviours that contribute to the commercial benefits of employing Shared Service Centre Models in multinational corporations.

The project is currently at the literature review stage and therefore this paper will discuss some of the areas influential in developing the research:

- 1. Changing Professionalism
- 2. Professionals Embedded Within Organisations
- 3. Finance Professionals Within the Shared Service Centre
- 4. Managing Careers, Managing Knowledge; The Relevance of Career Anchors

The aims of this development paper are to validate potential research questions.

Keywords: Shared Services, professions, career anchors

Introduction - The Changing Nature of the Professional

In sociological understanding, a profession is an 'occupation based on advanced, complex, or esoteric, or arcane knowledge' (Murphy, 1988: 245). Whilst similar terms such as 'professional' are perhaps categorised with 'profession' in everyday speech (Macdonald, 1995) it should be acknowledged that such terms carry further and more specific connotations.

Historically speaking there is much debate around what it means to be a 'professional' (Covert, 1917; Palmer, 1953, Martin 1983; Gambrill, 2001). Almost one hundred years ago Covert (1917) questioned what the essential attributes of a profession were. According to her work doctors, lawyers, teachers and preachers were considered 'learned' professionals suggesting that certain vocations require 'unlearned' professionals. In line with this Covert (1917) argued that given nursing is an application of many sciences, based on a body of tested knowledge, does not have a commercial element and is capable of constant growth and development then it should be appreciated as a profession. According to a recent (and oversimplified) definition by the Oxford dictionary (2012) characteristics such as

qualifications and engagement in professional work are keys to differentiating the professional from other roles which echoes Covert's early work.

The importance of professional work goes beyond simple descriptive definitions. Early work from Millerson (1964) identified 23 elements which were used to describe a professional focusing on skill based assets such as a good theoretical knowledge which not only arises from education but from practice. Adherence to a professional code of conduct was also highlighted as a trait of professionals, along with altruism and a trust based client relationship. These add a further dimension by incorporating morals and a duty of care to clients that is necessary within a professional occupation. Along with independence it is these traits that reassure organisations that the professional worker is able to easily fit into the organisation and their role with minimal additional training. The professional can be trusted to carry out their tasks to a high standard and their ability to apply theory to practice could be considered as unique.

In addition to this, historically speaking, the notion of being professional has been associated with a privileged economic and societal status (MacDonald, 1998) given the requirement for education at a high level which can incur large costs. It may be that the high status group characteristics of professionals that may provide some explanation to their historical stability (Hotho, 2008). Larson (1977) defined the term 'professionalism' as a project created by professionals for control of the market for professional expertise in order to secure their privileged social and economic position.

However, within business and industry, the past two decades have seen many organisational changes and the introduction of new working practices including delayering, rightsizing, business process reengineering and outsourcing (Otley, 1994; Marchington, Grimshaw, Rubery & Wilmott, 2005). Such changes on the macro level will undoubtedly have consequences for those working such organisations. Professional roles are changing and as early as 1990 Greenwood, Hinings and Brown developed the 'professional partnership model' reflecting these changes. Professional partners at the time were holding an increased responsibility for managing and providing their professional work rather than (as in earlier years) simply owning and governing the service.

Further to this Hanlon (1997) described an extension of professionalism in terms of commercial understanding and competence. There are three factors outlined within the concept that can distinguish a commercial professional; the ability to practice in the profession, the ability to manage others and the ability to develop new business or at least improve efficiency.

Research in the professions area is certainly not all limited to the 1990's (or before); in 2007 Noordegraaf made a suggestion for a further development in 'profession'. 'Hybrid professionalism' describes how it may be difficult to restore pure professionalism with strong substantive and institutional control, as suggested by Larson (1977), but it may also be difficult to go beyond professionalism and surrender to business-like, corporate and measurement ideals. As with the 'professional partnership model' we can see a struggle occurring between traditional professionalism and a new need for a commercial and business aspect which new types of organisations are shaping through their own developments. The purely technical abilities of 'traditional' professionals are being supplemented in this way within organisations. Shared Service Centres (SSCs) are just one of the organisational forms in which such changes (reflective of hybrid professionalism) are prevailing.

Hanlon's (1997) research begins to highlight the contribution that professionals can make to a profit making organisation. The general research on professions is eclectic over a range of vocations with theory and empirical work surrounding clergy, nurses and social workers; however the scope of the current paper focuses on professionals within a business environment and will specifically consider management accountants.

The reasoning behind this, apart from the personal interest of the authors, relates back to the context in which this work will be based; the Shared Service Centre (SSC). Data from practice shows that there are many management accountants situated within SSCs (Accenture, 2011) and that this particular role is very important to the strategy and commercial side of the SSC structure. There is a wealth of practice based material surrounding the management accountancy role in the SSC which doesn't appeared to be mirrored within the academic arena.

This does not necessarily indicate that the area is not of interest in academia (for instance see work by Rothwell, Herbert & Seal, 2011; Farndale, Paauwe & Hoeksema, 2009; and Strikwerda & Stoelhorst, 2009). We believe that industry has stepped ahead in terms of research in this case because there are tangible benefits for organisations when the SSC model (and those who work within the structure) succeeds, as noted during informal interviews with a range of organisations. Whilst those in industrial and vocational research are fully aware of such value adding strategies academia is only beginning to close the gap between practice and academic research.

Professionals Embedded Within Organisations

The professional is now, in many cases, embedded within the organisation sharing and using knowledge for competitive advantage. Organisations are now hiring and managing employees, such as professionals, as repositories of knowledge (Bird, 1996) which leaves the professional with a distinct advantage and not necessarily commoditized in the same way as white collar lower level workers (Holmes, 2008).

Many firms have placed customer satisfaction at the forefront of their strategy (Hult et al., 2005) in reaction to increased competitiveness in the business environment. This has ultimately caused organisations to adopt new organisational structures and processes (Brouthers & Roozen, 1999) to cope with these changes. Chenhall (2008) observed that traditional vertical organisational structures have started to be replaced with horizontally integrated activities in the value chain. Such organisations are now sourcing their strategic decision making management teams from different functional fields such as management accounting (Scott & Tiessen, 1999).

The importance of management accounting professionals (MAs) working within organisations is growing. Guilding et al., (2000) outlined two trends that are becoming apparent within the profession from the last two decades. Strategically orientated accounting techniques have been developed in planning, control, performance measurement and strategic appraisal. Furthermore the role of the modern management accountant has evolved beyond only passively providing useful data to the decision makers in the organisation; it is now clear that the management accountant is an active player in the whole decision making process (Rowe et al., 2008). These professionals fall under the remit of an emergent new term; the

'strategic management accountant' (see Aver & Cadez, 2009). Studies have shown that the active involvement of management accountants in this way contributes to more effectual decision making within the business (Scott & Tiessen, 1999) and therefore these personnel can be used to leverage competitive advantage in a tough economic climate.

Finance Professionals within Shared Service Centres

A move to more business orientated professional work or 'commercial' professionalism (Hanlon, 1997) will undoubtedly impact the way in which professionals understand their roles. According to Watkins (1992) waves of change have altered the perceptions of professional workers towards their employers and impacted upon the direction of their loyalty. In reaction to new structures, flatter hierarchies and performance management (as found within the common SSC model) professionals are believed to have adopted survival techniques including psychological distancing from one's profession. Watkins (1992) proposes that this is a direct consequence of changes to employment security, changing organisational structures and changing occupational patterns despite the intrinsic rewards associated with professional work. The shared service centre provides an example of such changes.

The Shared Service Centre (SSC) can potentially justify better IT, engender a quasi-market orientation and increase transparency of services through standardisation of routines by concentrating service activities in one site (Accenure, 2011) such as HR, finance, IT, client facing, procurement and logistics. Indeed, for the majority of workers, the SSC model could have a resonance with Ritzer's (1993) notion of the 'McDonaldization' of society, based on organisations exercising extreme efficiency, calculability, predictability and control over workers. Within the SSC control and knowledge remains located within the hierarchy of the firm in contrast to third party outsourcing options. Subsequently, the SSC could be considered as a hybrid form combining traditional head office centralisation and third party outsourcing (Herbert, 2008). This work specifically focuses on the finance population within the SSC.

In the Harvard Business Review, Desai (2008) highlighted a number of points that CFO's should consider in making the most their opportunities within their global finance operation. The article declares that organisations should create a 'professional finance staff' that is able to rotate globally. This means companies should develop a network of finance professionals who are at ease in various business environments so that they are able to maintain dynamic and relationship between top management and the floor. Case studies cited by Desai (2008) show that the trust built in such a relationship can be a potential solution to many organisational challenges. The strategic focus of these finance staff (such as management accountants) should be nurtured and pulled away from day to day operational issues (Aver and Cadez, 2009). For reference, strategic management can be considered as the process of managerial decisions and actions which ultimately guides the organisation and directly impacts upon performance (Hambrick, 1980).

In addition SSCs could be providing confirmation of hybrid professionalism and the move towards more strategic accounting through the role of the 'Business Partner'. The research surrounding the move of the accountant from 'number crunching' to executing an actively strategic role has led to the suggestion that some MAs are now moving towards a 'business partner' model of work (Byrne & Pierce, 2007). The term 'business partner' originated from human resources (HR) after recommendation from Ulrich (2005) that routine HR processes

should be performed by a Shared service centre to allow HR professionals to move into a more strategic and value adding role. Therefore business partners are expected to move from a process to people basis and from an operational to a strategic focus (CIMA, 2009).

The role of the MA is increasingly strategic and adding value is now of utmost importance. Despite development and the apparent extension of professional roles, CIMA (2009) still acknowledge and articulate the importance of a traditionally strong technical foundation and a preference for professional qualifications; nevertheless an increase in business acumen and commercial and communication awareness (reflecting new/key skills) embodies their ideal professional. This again directs us to the conclusion that the nature of professional work is changing as a consequence of organisational transformation; so what impact does this have on the professional based within the shared service centre? And how do they manage and understand their role within the organisation?

According to Byrne and Pierce (2007) there is a need to fully understand and clarify contemporary roles of MAs. At this point it appears that no attempt had been made to study the characteristics and consequences associated with the modern role of the MA. Decision making and strategic issues have clearly been addressed in the literature (Langfield-Smith, 2007) however there may be a requirement for further empirical work on the subject. Further consideration on how modern MAs understand, manage and navigate new roles could contribute to the emerging literature.

However if the development of professionals is not being supported in structures such as the Shared Service Centre then how does one support the longevity of the professional embedded within organisation for both competitive advantage and for staff retention?

Managing Careers, Managing Knowledge: The Relevance Of Career Anchors

Careers surrounding professional work within SSCs should be managed strategically so that the skills demanded by the organisation's business purposes are understood (by the employee) and therefore enable the development of a workforce with a matching profile of skills (Stone, 2005). It also demonstrates long term planning for keeping knowledge and valued skills within the business.

In line with Bauman's (2000) liquid age the current workforce is increasingly following boundaryless career paths (Arthur, 1996). Here workers are disconnected from a single career within a single firm (and therefore the organisation) as a result career paths are

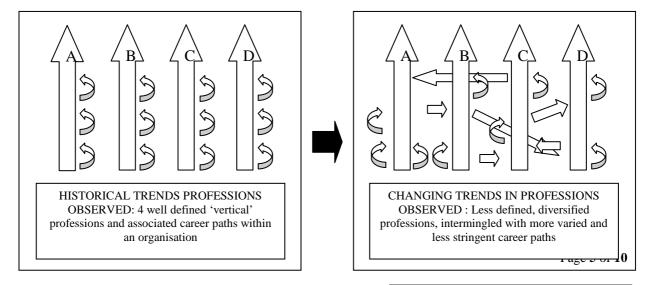


Figure 1: Changes in Professional Career Paths

loosened from the tradition organisational career arrangements (Greenhaus et al, 2010), as visualised in figure 1. Detaching oneself from the linear career progression is now widely accepted and in terms of the individual it has been found that curriculum vitae with a variety of work is as impressive as a list of job titles with increasing seniority (Adamson et al, 1998). Moving laterally is as legitimate as developing an individual's current role in a vertical manner.

Further to this, the current working environment is reflecting the independence of the professional individual in locating their own work (as a product of the liquid age; Bauman, 2000) instead of waiting for organisational promotion. The utilisation of individual career management is increasing within the current working landscape (Dickmann et al. 2006) as society sees a rise in protean careers (Hall, 2004). Individual career management involves actively setting personal career-related goals and independently devising appropriate strategies to achieve them (Noe, 1996); it should be noted that this does not necessarily match the aims and goals set by the employing organisation (Orpen, 1994). The balance that once existed between organisational and individual career management (Orpen, 1994) now appears to be heavily weighted upon the individual (Kanter, 1989) as they find themselves self-reliant for their own career development and progression. It must be noted that the role of the organisation within an individual's career management must not be overlooked; an organisation must still select, recruit and retain staff upholding some input concerned with career development (Cascio, 2004).

It appears that work by Schein (1974, 1977) still holds relevance in regard to these challenges. 'Career anchors' according to Schein (1974, 1977) are values, attitudes and motivations formed early within an individual's career, which not only influence strategic career choices such as which vocation, but also affect the more tactical decisions such as if and when to move from one company to another. Schein argues that these anchors can have a significant hold on future goals and objectives in terms of 'career'.

The 'Traditional' Professional Within Organisations			The 'Strategic' Professional Within Organisations	
A directed professional worker conducting applied tasks with practical responsibily.			Semi-independent professional worker with practical, strategic, commercial responsibilities and activities.	
Technical Focused Role	A directed employee with a technical expertise using specific skills to complete tasks diligently, to a high standard.	+	Managerial Focused Role	Concerned with problem-solving on a broad scale. A major part of their role will require successful people management and communication skills. Thrives on responsibility.
'Security / Stability' Guiding Career Path	Primary driver is stability and continuity in career choices and risk avoidance.	+	'Pure Challenge' Guiding Career Path	Individuals driven by new challenges and self-fulfilment; may move to different jobs when satisfied and therefore their career may be varied.
Autonomy / Independence in Role	Manage their own workload with their own rules within an organisation.	→	Autonomy / Independence in Career	Managing their <i>career</i> as an individual agent; fitting in to new roles.

A study by Ramakrishna and Potosky (2001) investigating the shift in career anchors amongst information systems personnel (ISP) revealed that there was a significant change in career anchors as a result of the changing information systems (and organisational) environment. Research in 1991 found that 44% of ISP showed technical and management competence anchors (Igbaria et al. 1991). This contrasted with the 2001 research (within the same demographic) that found only 8% still held this anchor and that 60% of ISP presented geographic security and organisational stability as current dominant anchors. The authors' associated this shift with the developed flexibility of the organisation. The research implies that work on career anchors should be on-going (see figure 2 for a forecasted change in anchors in consideration of the presented literature). We, the authors, accept a need to research career anchors in the context of the SSC and MAs as jobs and roles have changed, thus career anchors may have changed. Additionally the lack of research dedicated to the impact of the SSC creates an interesting new context to investigate.

Proposal for Further Investigation

It is clear that changes that are occurring and have occurred within general organisational structures and professionalism. Research has shown that such changes may lead to transformations in professional roles and professional working activities. This may ultimately lead to decline and possible elimination of professional traits (as defined by Millerson, 1964). However, with this change comes the opportunity for the finance function to provide further value for the operation of the SSC. Consultancies and professional bodies (such as Accenture and CIMA) have contributed to a wealth of industrial field research for the vocational audience focussing on how to run the SSC, how to maintain cost efficiencies and utilisation of software to name just a few areas. However, in collaboration with academic based career theories it is apparent there is a need to support the people within the SSC, especially those such as the MA that can add value to the organisation. The future study seeks to develop and manage professionals through their careers through utilising and possibly updating Schein's (1974, 1977) career anchors. Therefore, in line with the literature outlined within this extended abstract proposed research questions for a complete project include:

- 1. How can an organisation attract, retain and develop professionals who may have expectations of boundaryless careers within a competitive global market in a Shared Service Centre context?
- 2. Are there any dominant career anchors existing within senior management accountants working in a Shared Service Centre?
- 3. Which anchors would organisations find preferable for their employees to hold?
- 4. Which anchors do a management accountant or HR professional working within a Shared Service Centre believe is desirable for their role?

The chief aims are to investigate how the Shared Service Centre is remodelling the role and skill-set of professional workers, and how the globalisation of the so-called knowledge-based economy is changing the nature of individual career expectations and actual development experiences.

These questions seek to delve deeper into the global talent management, career and trait theory in order to provide practical application for Shared Service Centres to ultimately

preserve professionalism (specifically within accountancy) as a business imperative impacting on long term organisational prosperity.

I invite questions, feedback and discussion regarding the relevance of career anchors, professional traits and the proposed research questions.

Acknowledgment

The authors are grateful to participants for their time, to the Chartered Institute of Management Accountants General Charitable Trust for financial and other support in this project.

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