
Oliver Holtkemper

Digitization of the Management Accounting Function

A Case Study Analysis on
Manufacturing Companies



Springer Gabler

Contents

1	Introduction	1
1.1	Motivation	2
1.2	Objective, Research Questions, and Framework	3
1.2.1	Research Questions	3
1.2.2	Research Framework and Process	5
1.2.3	Research Process and Evolvement of Research Framework	6
1.3	Structure of This Dissertation	6
1.4	Contribution	7
2	Literature Review and Research Gap	9
2.1	Definitions and Clarifications	9
2.1.1	Management Accounting	10
2.1.2	Digitization	11
2.1.3	Digitization: Further Discussion on Terms and Definition	12
2.1.4	Management Control	12
2.1.5	Controlling vs. Management Accounting	13
2.2	Literature Review Methodology	14
2.3	Literature Review Results	14
2.3.1	Impact of Digitization on Management Accounting	14
2.3.2	Impact on Tasks and Tools (RQ1)	17
2.3.3	Impact on Organizational Setup (RQ2)	19
2.3.4	Impact on Educational Background, Required Skills, and Training (RQ3)	21

2.3.5	Relation of Strategy and Management Accounting (RQ4)	30
2.4	Review of Practitioners' Papers and Publications	30
2.5	Confirmation of Research Gap	32
3	Theory	35
3.1	Organizational Perspective	36
3.1.1	Division of Labor and Economies of Scale and Scope	36
3.1.2	Porter's Generic Strategies	37
3.2	Individual Perspective	39
3.2.1	Social Exchange Theory	41
3.2.2	Decision-Making: Heuristics and Biases in Decision-Making and Human Judgment	42
3.3	Conclusions from Theory	44
4	Methodology	47
4.1	Qualitative vs. Quantitative Research	47
4.2	Research Design: Methodological Framework	48
4.2.1	Application of Grounded Theory and Case Study Methodology	48
4.2.2	Case Study Research Design and Process	49
4.2.3	Validity Tests	50
4.3	Case Selection	51
4.3.1	Determined Sample Size	52
4.3.2	Sampling Strategy	52
4.3.3	Sample Sourcing	53
4.3.4	Evolution of the Interview Process	53
4.4	Case Companies	54
4.5	Interviews	55
4.5.1	Empirical Research Process	55
4.5.2	Interviews with Management Accountants	59
4.5.3	Interviews with Decision-Makers	60
4.5.4	Interviews with Management Accounting Enablers	60
4.6	Analysis of Interviews: Coding Methodology	62
5	Findings	67
5.1	Five Cases of Digitization in Management Accounting	67
5.1.1	Case 1: Pharma and Chemicals Conglomerate	67
5.1.2	Case 2: Beverage Manufacturer	71

5.1.3	Case 3: Consumer Goods Company	74
5.1.4	Case 4: Mechanical Engineering Company	78
5.1.5	Case 5: Automotive Supplier	82
5.2	Summary: Impact of Digitization on Tasks and Tools on Management Accounting Function in Manufacturing Organizations	85
5.3	Summary: Impact of Digitization on Organizational Structure of Management Accounting Function in Manufacturing Organizations	88
5.4	Summary: Impact of Digitization on Skills and Training of Management Accounting Function in Manufacturing Organizations	91
5.5	Grounded Model: Two Archetypes of Digitization in Management Accounting	93
5.5.1	Streamlining: Efficiency Focused	94
5.5.2	Enabling: Value-Added Focused	95
5.6	Change of Positioning and Trends with Regard to the Discovered Archetypes	97
5.7	Relation of Strategy to the Digitization of Management Accounting (RQ4)	98
5.7.1	Case 1: Pharma and Chemicals Conglomerate	99
5.7.2	Case 2: Beverage Manufacturer	100
5.7.3	Case 3: Consumer Goods Company	101
5.7.4	Case 4: Mechanical Engineering Company	101
5.7.5	Case 5: Automotive Supplier	102
5.7.6	Discussion of Relation of Strategy to the Digitization of Management Accounting	103
5.8	Analyzing a (Potentially) Futuristic View on Management Accounting: Perspective of Software Providers	103
5.8.1	View on RQ1	105
5.8.2	View on RQ2	106
5.8.3	View on RQ3	106
5.9	Conclusions from Findings	107
5.10	Discussion of Findings	108

6 Conclusion	111
6.1 Summary	111
6.2 Practical Implications	114
6.3 Limitations of Study and Suggestions for Further Research	115
Bibliography	119