

Management Control System Backbone in a CPA Firm: Middle Managers and the Power of Cultural Control

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DOI: <https://doi.org/10.33005/jasf.v7i1.425>

Received: March 10, 2024. Revised: April 05, 2024. Accepted: June 17, 2024

Abstract

This research aims to broaden the understanding of the middle manager's role in the management control system, particularly in mediating the relationship between superiors and subordinates. The methods employed in this research are an interpretive paradigm with interview, observation, and document analysis data collection methods. Findings indicate that middle managers at the CPA Firm X play a crucial role in addressing ignorance, inability, and unwillingness in the company. Although there are no formal controls, role dissonance among middle managers is minimal due to the presence of strong cultural controls. Cultural control can compensate for other forms of control, thus minimizing the occurrence of role dissonance experienced by the manager of CPA Firm X. This research provides insight into the importance of middle managers' role in fulfilling their function as an intermediary in the management control system aimed at aligning the goals of top management with operational employees.

Keywords: Middle Manager, Management Control System, Role Dissonance.

How to cite (APA 7th style)

Saputra, J. E. & Efferin, S. (2024). Management Control System Backbone in a CPA Firm: Middle Managers and the Power of Cultural Control. *JASF – Journal of Accounting and Strategic Finance*, 7 (1), 96-113.

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INTRODUCTION

The study by Rensburg, et al. (2014) states that middle managers' strategic roles include implementing strategies, interpreting and communicating information, facilitating adaptability, supporting subordinates, and influencing superiors. Similarly, Surju, et al. (2020) found that middle managers receive and translate strategies for their subordinates. This aligns with the goal of the management control system, which seeks to align organizational strategy with employee behavior (Efferin, 2021). Additionally, middle managers are responsible for enhancing team performance through effective member management (Tsuda & Sato, 2020). Through these strategic roles, middle managers hold a crucial position in the organizational hierarchy (Tyskbo & Styhre, 2023; Schuler, et al., 2023).

However, as Rensburg, et al. (2014) mention, the role of middle managers may not always be executed perfectly. Middle managers occupy a unique position, acting as both subordinates to superiors and leaders to their teams, which can place them in an ambiguous position (Gjerde & Alvesson, 2020). They often experience role dissonance between what they are expected to do and what is feasible in practice. According to Antonsson (2024), the middle manager's role is often less regulated, with autonomy shaped by varying perceptions from different superiors. Top management may frequently override middle managers' decision-making authority, limiting their ability to intervene effectively. Holden's (1996) and Mamburu's (2024) research suggests that, despite having limited authority and capabilities, middle managers are still expected to meet high expectations from top management.

Additionally, middle managers may feel that delegating tasks to subordinates could diminish their position, as it transfers responsibility and grants subordinates greater autonomy. This can lead to role dissonance, where middle managers may neglect their supportive role to subordinates for fear of losing control (Denham, et al., 1997; Bugdol, 2020). As a result, they may focus on technical tasks to "protect" their position. Overall, the middle manager's role may be disrupted by inconsistencies in role definition, changes in their responsibilities, and insufficient consideration of individual differences.

Such role dissonance can prevent managers from fulfilling their functions effectively, leading to job dissatisfaction, anxiety, confusion, reduced accountability, poor communication, and decreased job performance, which may eventually result in emotional exhaustion (Padmanabhanunni & Pretorius, 2023; Zhang, et al., 2023; Ntopi, et al., 2020). Functional role theory addresses this issue by emphasizing the importance of social role stability. Achieving role stability requires an organizational structure that defines tasks, activities, authority, and reporting responsibilities, along with detailed job descriptions (Gutterman, 2023). Clear action controls can help prevent role dissonance, allowing middle managers to serve as effective mediators between superiors and subordinates (Jaser, 2021). Research by Kabiri & Hughes (2018) supports this perspective. However, Efferin & Hartono (2015) found that strong cultural controls can compensate for other types of controls. Studies by Al-Omouh (2021), Aboramadan, et al. (2020), and Ghumiem, et al. (2023) also indicate that organizational culture significantly influences work performance. Organizational culture enhances employee satisfaction, loyalty, creativity, and productivity (Alkhodary, 2023), thus supporting the achievement of organizational goals.

The reason researchers are interested in studying this topic is due to a research gap: previous studies have not focused on the critical role of middle managers in implementing management control systems. This study will explore the importance of the middle manager's role in the management control system through their tasks and responsibilities and examine how effectively this role is fulfilled. Specifically, this study will address two research questions:

RQ1: How do managers at CPA Firm X bridge the control relationship between superiors and subordinates?

RQ2: What factors facilitate CPA Firm X managers in executing their role?

Whether middle managers experience role dissonance or not, this research will investigate the factors associated with the management control system that may contribute to it. As noted by Merchant & Van der Stede (2023), management control systems can be categorized into four types: result control, action control, personnel control, and cultural control. This study will examine the implementation of these controls at CPA Firm X.

RESEARCH METHOD

According to Neuman (2014), there are five research paradigms: positivism, interpretivism, critical theory, feminism, and postmodernism. This research adopts the interpretivism paradigm with a qualitative approach to understand the role of middle managers in relation to management control systems. Using a case study approach, this research aims to expand knowledge about management control systems, specifically regarding the role of middle managers, and is thus classified as basic research. The study examines the implementation of the management control system at CPA Firm X and the role dissonance experienced by middle managers in their natural environment. Data collection methods include interviews, participant observation, and document analysis (Neuman, 2014), with documents such as performance evaluations form, audit execution to-do lists, and managers' reviews on working papers.

Neuman (2014) describes triangulation as viewing a subject from multiple perspectives to enhance accuracy and reduce bias. In this study, triangulation across methods is applied through interviews, observations, and document analysis. The researcher conducted participant observations from August to December 2023 at CPA Firm X, focusing on topics raised by partners, seniors, and juniors to managers; communication between managers; and the scope of managerial authority in internal meetings. Intramethod triangulation was also applied, as the researcher interviewed several participants to cross-verify statements for accuracy (Sekaran & Bougie, 2016). The findings from these methods will be compared to assess their consistency.

The selected informants are listed in Table 1, ensuring representation from each job level. In the CPA industry, the typical hierarchy includes partners, senior managers or managers, seniors, and staff assistants or juniors (Arens, et al., 2020). Informants were chosen based on the following criteria: partners with over five years of experience, managers with over five years, seniors with over three years, and juniors with over six months. These criteria ensure that informants have a

solid understanding of the work environment at CPA Firm X. Interviews were conducted between August 30 and October 27, 2023.

Table 1. Research Informants List

Name	Position
D	Partner
O	Manager
Ad	Manager
Ar	Senior
De	Junior
N	Junior

RESULTS AND DISCUSSION

Managers in the middle position, with their primary role as a bridge between superiors (partners) and subordinates (senior and junior), play a significant part in the management control system. The management control system aims to align the goals of superiors and subordinates to achieve goal congruence. The goal or vision of CPA Firm X is to attain client satisfaction. The elaboration of the manager's role in bridging superiors and subordinates is based on the classification of key activities: engagement with clients, audit execution, and internal company administration and operations.

Engagement with Clients

The manager's role in client engagement is to provide insights to superiors regarding issues with potential clients and to develop budget plans and work designs for seniors and juniors when accepting client engagements. In this key activity, seniors and juniors are not extensively involved, so the mediating role of the manager may not be very noticeable. The partner plays a crucial role in this key activity.

Audit Execution

In general, the manager's role is to develop the audit timeline, ensure the accuracy of audit completion, evaluate the performance of seniors and juniors as the basis for rewards and punishments, review working papers from the work of seniors and juniors, provide training, and set an example for seniors and juniors.

Performance Measurement

Manager's role in performance evaluation includes assessing the performance of seniors and juniors, providing input to partners about the performance of seniors and juniors, and providing feedback to seniors and juniors. This is because the manager has a better understanding of the conditions during the audit. Additionally, the manager is closer to the partner to provide input on the performance of seniors and juniors, emphasizing the manager's role as a mediator between the

partner as a superior and seniors and juniors as subordinates. Aspects assessed by managers are stated on the performance evaluation form and managers will give marks 1 (best) to 5 (worst).

Although the manager assesses the performance of seniors and juniors qualitatively, the evaluation is not biased, as stated by both seniors and juniors. The reason seniors and juniors feel this way is that the manager presents facts rather than evaluating based on personal feelings. It is also mentioned that the results of self-assessment will not differ significantly from the manager's evaluation if the employees are willing to acknowledge the mistakes made during the respective period.

"They mention 'You are like this, your shortcomings are like this, your strengths are like this'"

(De, Junior CPA Firm X)

Reward and Punishment

The results of performance evaluation determine the amount of reward and punishment received by employees. As mentioned by Mr. Ad, the rewards obtained include salary increases and bonuses. Mr. O added that promotions or job promotions are also based on performance evaluation. In addition to being a form of reward, bonuses are also used as implicit punishment. Mr. D designed a bonus scheme based on performance evaluation and is not equalized among employees. Mr. D believes that if there is a discussion among employees about comparing bonus receipts, it will implicitly provide a punishment in the form of a smaller bonus.

"Bonus, position, and even increasing salary have an impact even though the determination standards are in Mr. D, we just give input."

(O, Manager CPA Firm X)

However, after further investigation through interviews, seniors and juniors stated that they were unaware of the basis for bonus distribution. This indicates a discrepancy between what should be done and what is actually done by the manager because the manager does not provide information regarding the basis for giving rewards and punishments. Both seniors and juniors were hesitant to say that performance evaluation is the basis for bonus distribution. Mr. Ar and Mr. De also did not realize that lowering the value of the bonus was part of the punishment. On the other hand, both stated that the punishment given is in the form of reprimands and a reduction in the handled clients. This discrepancy confuses Mr. Ar because he did not receive a bonus in the first and second years of work, while other employees did. Although it does not create reluctance to work and give the best, it raises dissatisfaction from the senior's perspective.

The implemented results control in CPA Firm X is not yet perfect. Although the performance dimensions have been determined and there are assessment indicators, there are no performance targets that must be met. Performance assessment is qualitative based on manager considerations; however, it is not biased and is well-received by seniors and juniors. However, the manager does

not explicitly state that performance evaluation is the basis for determining rewards and punishments. This means that giving rewards and punishments cannot be said to encourage seniors and juniors to give their best performance because of their lack of knowledge, resulting in no motivation to get a bonus. Additionally, client satisfaction has no clear benchmark but is based on the intuition of partners, managers, seniors, and juniors. On the other hand, qualitative assessments of performance and client satisfaction measured based on intuition can provide a more comprehensive picture.

Action Control

Review of actions or activities

In achieving client satisfaction and ensuring the quality of audits, CPA Firm X also implements action control. Action control is simultaneously a step to achieve compliance with standards and professional attitudes. The formal control carried out by the manager is to review working papers created by seniors and juniors. Through this review, the manager can monitor the process and provide input in the form of feedback and instructions so that the audit implementation can be more focused and yield the expected results.

The review of working papers by Mr. Ad, as the manager, can overcome the lack of knowledge of subordinates who are conducting field audits regarding what needs to be explored and further supplemented. According to the interview results, Mr. Ar stated that he feels the manager's review of working papers is very helpful. Through this review, Mr. Ar can identify his shortcomings during the audit and the efforts that have been reasonably well performed.

"Umm.. in my opinion, it is very helpful because with the review, we know our shortcomings, what procedures need to be done, what is enough, and what procedures need to be added or our procedural errors in carrying it out."

(Ar, Senior CPA Firm X)

Physical and Administrative Behavior Limitations

In the execution of audits, there are no physical or administrative limitations within an audit team. Seniors and juniors can access all client files and make decisions because, in the end, the manager will review and provide input.

Definition of roles and responsibilities

Then, there is something interesting that caught the researcher's attention: employees at CPA Firm X are not very sure about their current positions. Through interviews, the manager stated that Mr. Ar holds the position of senior. However, this promotion was never announced; it was only explained that he would be given the responsibility to handle clients independently. The same thing happened to Mr. De; he mentioned that positions are only based on general standards, where if you have been working for more than five years, the position will become senior.

"Why does it seem like never? Even though if, for example, during the evaluation, I remember being told only that you will handle clients on your own later. So, let's try

this, prepare questions for the discussion first. Mostly, it's just said like that, no special treatment or anything. Because I never know, whether I'm a senior or not."
(Ar, Senior CPA Firm X)

Although the distinction between senior and junior positions is unclear, there are no issues in the accountability chain of actions for seniors and juniors. Based on observations, both are equally accountable to the manager. Consequently, the lack of clarity in positions is insignificant for CPA Firm X.

Accountability of actions

Through the researcher's observation during the audit, the accountability of actions in the audit implementation activities begins with the manager giving a to-do list to seniors and juniors. This to-do list will be periodically followed up by the manager through reviews. If it is considered that the audit results in a working paper are still unclear and insufficiently thorough, the form of accountability that seniors and juniors need to take is to seek additional documents and communicate with the client.

Redundancy of work

Based on the researcher's observations, it is found that when auditing a client, the audit team organized by the manager consists of a minimum of two people. This can anticipate if there are obstacles for one member, such as illness or urgent conditions.

Normatively, CPA Firm X's action control in the audit implementation is not considered perfect. For example, there is no physical or administrative limitation. However, on the other hand, the absence of such control can streamline the audit process. Since CPA Firm X handles more than one client at a time, quick performance is required. If there were physical restrictions such as not being able to access certain files, there would be a delay in completing the audit. Then, if there were administrative decision restrictions on seniors and juniors, the manager might experience potential overload in decision-making. Despite the lack of organizational structure clarity for seniors and juniors, the accountability of actions can still function well.

Personnel Control

Job design and resource allocation

In designing the work of seniors and juniors for field audit implementation, managers usually consult first. Considerations include the competence and auditing experience with the related client. Based on the explanations of seniors and juniors, the placement of personnel for audit implementation is also based on the workload. Managers are also responsible for allocating the necessary resources. The researcher obtained this information through participant observation.

Training

Additionally, there is formal training provided to seniors and juniors in the implementation of audits. Managers play a significant role in training, both in reviewing the needs of seniors and juniors for training, providing training materials, and disseminating training content from the Indonesian Institute of Certified Public Accountants (IAPI). Based on participant observation, there is training where both managers provide material to juniors and seniors. The material covers working papers, and some subtopics include tests of control, walkthroughs, and general ledger audit procedures.

Mr. Ar confirmed that training is often held with the manager serving as a facilitator, not as a lecturer. Mr. Ar finds this training helpful because it deepens their understanding of newly issued regulations or old regulations that are not yet well understood.

"Umm, it helps because, for example, there's the application of new rules, so we know what steps to take, what the job is like, and the second training is more about preparing us for new or existing regulations, which we find unfamiliar..."

(Ar, Senior CPA Firm X)

Personnel control in audit implementation has been carried out comprehensively. This is evident from job design based on manager considerations of the competence, experience, and workload of seniors and juniors; allocation of necessary resources; and training provided to equip seniors and juniors in carrying out audits. Through training and job design, as well as the proper allocation of resources, the quality of audit results will improve, thus enhancing client satisfaction. This aligns with the vision presented by Mr. D.

Cultural Control

Vision and mission

Vision: To be known for quality and serve clients as best as possible to ensure client satisfaction.

Mission: Conduct training every year and review working papers before releasing reports.

The vision and mission presented by Mr. D in interviews are not documented in writing or formally presented to managers, seniors, and juniors. Through interviews, it can be interpreted that the partner has the view that the Big 4 dominates the audit industry, so CPA Firm X does not have ambitions or significant goals typically outlined in a company's vision and mission. One thing emphasized by Mr. D, as the partner of CPA Firm X, is the quality of audits, manifested through integrity.

Principles and values adopted

In the implementation of audits, cultural control is still closely related to the vision and mission of CPA Firm X, namely, emphasis on the quality of audits and their implementation based on integrity or professionalism. Cultural control related to the implementation of audits is similar to what is stated in the activities involving clients. In audit implementation, professionalism is interpreted by Mr. O as compliance with standards and ethics – which is a formal control.

Tone at the top

Although managers can grasp the vision and mission of CPA Firm X without being explicitly explained, this does not apply to seniors and juniors. Both Mr. Ar and Mr. De only understand the goals of CPA Firm X partially. This can be said because both of them answered that the vision of CPA Firm X is to complete work on time or even faster. Then, their mission is to read the latest Financial Accounting Standards (PSAK). This vision and mission are informal based on their own understanding and are not something stated by superiors. Even though these are aimed at client satisfaction and audit quality, seniors and juniors still do not fully comprehend them. This vision and mission have also never been explicitly conveyed by managers to subordinates because Mr. D himself has not explicitly stated it to the managers. Thus, it cannot be said that managers experience role dissonance because their task is to convey what is communicated by superiors. If superiors do not disclose it, managers also cannot convey it to seniors and juniors.

Physical arrangement

Through observations, it was found that the office layout facilitates communication between each other. Managers, seniors, and juniors share the same room, making it easier to convey work-related discussions or jokes. This builds closeness among employees at CPA Firm X. One example is that juniors can casually joke with managers, and vice versa.

Employee rotation

Regarding employee rotation, as mentioned in the personnel control section during the audit, Mr. D stated that manager rotations are not carried out as long as there are no issues between the manager and the client. On the other hand, the rotation of seniors and juniors is highly possible even if there are no issues with the client. For Mr. Ar himself, employee rotation can help foster relationships among employees.

If theoretically examined, cultural control in the implementation of CPA Firm X audits cannot yet be considered perfect because there is no statement of vision and mission by partners or managers to seniors and juniors. This makes goal congruence more challenging to achieve because employees do not know the actual goals to pursue. Besides, there is no group reward. However, this is not necessary in CPA Firm X. This is because there are only nine permanent employees, the majority of whom come from the same university. The small number of employees and their similar backgrounds allow them to be close and have a sense of ownership without the need for group rewards.

Internal Administration and Operations of the Company

Action Control

Activities encompassed in the internal administration and operations of the company include employee recruitment, payroll, and tax document submission. These key activities tend to involve action and personnel controls. The manager's role, in brief, is to handle the initial recruitment

process for potential employees and deposit tax documents. In these key activities, seniors and juniors do not have the responsibility to perform a task and only receive outputs from the process, for example, in payroll and recruitment of new employees.

Physical and Administrative Behavioral Restrictions

In recruiting new employees, the manager is responsible for considering the needs of employees, conducting initial screening, written tests, interviews, and presenting potential candidates to Mr. D as the partner. In the initial screening process, prospective employees are asked to submit a Curriculum Vitae (CV) and academic transcripts to see the Cumulative Grade Point Average (GPA). The mentioned documents are physically restricted and can only be accessed by the manager and the partner. Documents are stored in a cabinet owned by Mr. D, whose key is also kept by him. As a partner, Mr. D will decide whether a candidate is accepted or not.

Job Redundancy

From the interview, it is also implied that there is job redundancy in the employee recruitment process. Documents or files of potential employees can be accessed by Mr. O and Mr. Ad, allowing them to review the documents. Although managers can access candidate data, they cannot have access to employee salaries. All employee salary calculations are physically limited only to Mr. D as the partner. Mr. O also mentioned a similar situation.

Review of Actions or Activities

Furthermore, regarding the selection, the acceptance of candidates will be decided by Mr. D, and the manager only provides input – this will be discussed more clearly in the personnel control section. Turning to the submission of tax documents, the manager is the executor. Mr. O mentioned that he is responsible for reporting taxes to the Ministry of Finance. This will be reviewed again by Mr. D before being sent to Jakarta – indicating a review of actions or activities.

Physical restrictions have been well implemented in CPA Firm X. The review of action plans is also done by conducting a final selection before hiring new employees and reviewing tax documents before reporting. This will be assessed and included in the control of results in terms of project management. Job redundancy and physical restrictions are also present in CPA Firm X. Action accountability is not implemented because it is not relevant. If an employee who has passed the manager's selection is deemed inadequate by the partner, the employee will be rejected. This process does not create something that needs to be accounted for.

Personnel Control

Employee Recruitment and Selection

Mr. D explained that employee recruitment begins with an analysis of human resource needs, followed by an initial selection starting from desk evaluation, written tests, and the first interview conducted by the manager. In this recruitment process, the manager plays a significant role in filtering candidates before being interviewed by Mr. D. In fact, Mr. N revealed that when he entered the second interview stage, which should have been done with the partner, it was replaced by the manager because the partner was unavailable.

Through the elaboration of the manager's role, it can be inferred that the manager does not experience significant role dissonance despite being in the middle position between superiors and subordinates. Behind this smoothness, there are several factors that facilitate the CPA Firm X manager in carrying out their role appropriately.

Closeness Built from Similar Backgrounds and a Non-Issue Attitude Towards Diversity

Through interviews, Mr. Ad explained that there is no mutual undermining among employees at CPA Firm X. Mr. O responded that this is due to the shared background. Seven out of nine employees at CPA Firm X are graduates of University S. Furthermore, the ages of the seniors and juniors are not significantly different or can be considered contemporaneous. Additionally, Mr. Ad also revealed that there are no issues due to differences in ethnicity, race, religion, or socio-economic groups. Even though there are employees who are not graduates of University S, it is not a problem for employees in terms of friendship or professionalism. This is confirmed by Mr. Ar, who is a graduate of University P.

"No unhealthy competition. Because mostly, we all came from friends. Me and Mr.Ad, for example, are friends from college."

(O, Manager CPA Firm X)

"For example, issues of background, race, religion, we don't have any uproar."

(A, Manager CPA Firm X)

"No, no, there's no inequality there either. So far, if they talk about something related to University S, we just listen."

(Ar, Senior CPA Firm X)

Through the researcher's observation results, the built closeness can be considered quite strong, evident in the jokes thrown at each other, the relaxed way of talking among employees, and the time spent together by male employees of CPA Firm X playing games during breaks. The similarity in the background and the attitude of not minding differences, be it ethnicity, race, religion, socio-economic groups, or other factors, can make the office atmosphere more conducive and minimize conflicts or intrigues. This factor is one form of strong informal cultural control that significantly influences the office atmosphere. As a result, managers are not burdened by internal issues related to employee relationships, allowing them to focus on their roles and responsibilities in each key activity. Moreover, both managers not only come from the same university but also the same organization, which greatly helps them build a close relationship during their time in the office. They rely on each other, as evident in observations and interviews, as seen in a quote in the client engagement action control section.

Understanding Superiors

While mediating the relationship between superiors and subordinates, both managers stated that their superior, Mr. D as the partner, is not a rigid boss. In other words, Mr. D is not a boss who demands that an audit job must be completed by a certain date without considering other factors. On the contrary, Mr. D considers the feasibility of completing audit work. If there are external factors such as delays in client data, the partner does not press the manager to push seniors or juniors to complete it as soon as possible. Mr. O mentioned that Mr. D's understanding attitude could be based on his experience as an auditor for over twenty years.

"Luckily, Mr. D is not too strict about everything. Maybe because he already has experience, he knows roughly, 'Oh, this client's model is like this, then the progress is up to here, is it achievable or not.' He can estimate, we just need to update it like that..."

(O, Manager CPA Firm X)

The understanding attitude of the partner allows the manager to be a supporter for seniors and juniors, not a boss chasing deadline for subordinates. This cannot be achieved without the understanding of the partner, for example, if an audit implementation does not finish due to external obstacles, but the partner does not care about it and still forces the audit work to be completed at that very moment. As a result, the manager will be pressured to complete the audit implementation immediately and ask seniors or juniors to work extra. This is not in line with the manager's role as a mediator who should be able to adjust the work pace according to what seniors and juniors experience in the field (Kodden & Roelofs, 2019).

Subordinates Who Respect the Manager

Through participant observation results, the researcher found that the relationship between juniors and seniors is very casual, and there is no sign of respecting seniors as superiors. This is related to the unclear organizational structure of CPA Firm X at the junior and senior levels. However, it is different from the attitude of juniors and seniors towards the manager. There is respect and a "reluctant" attitude toward the manager. Mr. De mentioned that the "reluctant" feeling he has is due to age difference, not position. Unlike Mr. N, he expressed that the respect is because the manager has been working in the audit field for a longer time. According to Mr. N, this long work experience makes the manager more understanding and experienced. The "reluctant" and respectful attitude towards the manager can make it easier for the manager to give instructions to seniors and juniors because the instructions will be executed as best as possible.

"...I feel like I respect them more, I feel more reluctant towards them. Because there may be factors that make them more, more time in the audit industry. So, they should know more, so I'm like okay, respect them."

(N, Junior CPA Firm X)

Desire to Develop Subordinates' Skills

Mr. D as a partner, as mentioned in the client engagement action control section, stated that he hopes managers can develop to the point of becoming partners. This desire is manifested through giving opportunities and trust to managers to meet potential clients and communicate about audit goals, business descriptions, and issues with the clients. The partner's provision of opportunities and trust can encourage managers to fulfill their roles as expected by the partner.

Actions to develop the skills of subordinates are also carried out by the manager. Although there are imperfections in the work of seniors and juniors, the manager still hands over the work to be corrected instead of doing it themselves. According to Mr. O, this is done so that subordinates know their shortcomings and do not repeat them in the future. However, if the duration of the work is inadequate, the manager will take over the subordinate's work and assign other tasks to them.

"Because it's better if there's no time pressure like that, let them do the revisions, so they can learn. Otherwise, they won't know."

(O, Manager CPA Firm X)

Mr. O's statement can be interpreted as the manager's expectation for seniors and juniors to continue developing. Even though the work can actually be completed more quickly if handled directly, the manager still entrusts the work to subordinates while providing input. In doing so, the manager's role in guiding seniors and juniors can be carried out effectively. Such a culture can encourage the equalization of skills and abilities, or in other words, avoid a one-man show at CPA Firm X. The desire for subordinates to be able to develop is also ingrained in seniors, such as Mr. Ar. Mr. Ar mentioned that this desire is his own initiative. The existence of this internal desire can make it easier for managers to fulfill their role in guiding juniors with the help of seniors.

Business Scope of CPA Firm X

In addition to the three internal factors of the company mentioned earlier, external factors also influence managers in performing their roles. The business scope of independent auditor work has its own code of ethics that can be accessed publicly. The existing code of ethics regulates the business process from engagement with clients, planning, and execution to audit reporting. The entity that establishes this code of ethics is the Indonesian Institute of Certified Public Accountants (IAPI). IAPI often conducts Continuing Professional Education (CPE), including those related to the code of ethics. This facilitates managers in socializing the existing formal cultural controls.

With the CPE organized by IAPI, the code of ethics as public accountants can be better understood by seniors and juniors. Moreover, the information obtained is directly from the code of ethics makers, making it more accurate. As a result, managers can more easily direct seniors and juniors to act in accordance with the code of ethics during the audit process (Rahim, et al., 2020; Louis, et al., 2022)

Confirmation with Previous Research

The mediation role performed by CPA Firm X managers does not experience significant role dissonance, even in the absence of formal action controls such as job descriptions and organizational structure due to informal factors promoting the cultivation of corporate culture. This supports Efferin & Hartono's (2015) research that cultural control can simplify other forms of control. Values such as integrity, including compliance with applicable standards and codes of ethics, timeliness, and behavior and attire, are built through subordinates' respect for managers, leading them to execute instructions well for the organization's benefit. This undoubtedly assists middle managers in their role of mediating relationships between superiors and subordinates, which is essential for achieving the company's goals.

Although there are no action controls in the form of organizational structure and written job descriptions to clarify the tasks that need to be done and how to coordinate them (Gutterman, 2023), this does not cause role dissonance for managers. The organizational structure appears clear at the partner and manager levels, with only the senior and junior positions having somewhat unclear structures. However, this is not a problem since seniors and juniors have nearly identical tasks and responsibilities.

The minor role dissonance for managers does not result in emotional exhaustion, as stated by (Padmanabhanunni & Pretorius, 2023; Zhang, et al., 2023). However, job dissatisfaction arose from Mr. Ar, a senior, as he claimed not to receive a bonus in the first and second years of work without any explanation from the manager. The cause of role dissonance for managers in mediating superiors and subordinates is not related to the difference between formal and informal control, as stated in Kabiri & Hughes' (2018) research. This is because there is no written job description as a formal action control, so managers work according to partner expectations only, with no benchmark. Additionally, contrary to Bugdol's (2020) statement that managers are afraid of losing control, leading them to perform technical tasks, CPA Firm X managers tend to empower their subordinates to fill higher positions in the future (Denham, et al., 1997). This minimizes role dissonance because one of the manager's roles, as stated by Rensburg, et al. (2014), is to support subordinates to perform well.

CONCLUSION

Through the conducted research, it is evident that managers play a crucial role in mediating the control relationship between superiors and subordinates. This role is most prominent in the key activity of audit implementation. Through managerial mediation, juniors and seniors can perform their tasks in line with the partner's expectations, whether through documents like to-do lists, reviews, or verbal instructions from the managers.

Role dissonance occurs due to inconsistency in the definition and role of managers. Regarding the change in the nature of the middle manager's role and the neglect of individual differences, this does not happen with CPA Firm X managers due to the strong informal relationships. Furthermore, managers do not experience significant role dissonance. The difference

between what should be done and what is actually done is related to the non-delivery of reward bases to seniors and juniors.

This study has limitations, being based on the management control system found at CPA Firm X and not aimed at representing the CPA firm or other company's control systems. Additionally, this study is basic research aimed at academic/scientific literature development. Although the researcher has presented some findings, this study is not specifically intended to provide practical recommendations to improve the CPA Firm X management control system.

Although both managers have almost the same work ethic, Mr. O and Mr. Ad have different leadership styles as managers. Mr. O tends to be more relaxed in his leadership, while Mr. Ad tends to be quiet. This aspect has not been highlighted in this research, and further studies are needed on the correlation between a manager's leadership style and their way of mediating superiors and subordinates in control relationships.

Theoretically, this research contributes to the development of understanding regarding the important role of managers in the implementation of management control systems. However, given the nature of the research as basic research, this study is not intended to provide practical recommendations or recommendations in the form of policy. The key point highlighted in this study is the presence of strong cultural control, which helps to align the company's strategy developed by partners with the actions taken by juniors and seniors.

Authors' Contribution

JES collected, analyzed and interpreted the data. *SE* gave feedback and direction regarding this research.

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Funding

This research received funding from Universitas Surabaya (Ubaya).

Conflicts of Interest

The authors declare no conflict of interest.

Availability of Data and Materials

Data can be requested by email to the corresponding author.

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