

The Role of Charisma in Accounting Change

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Abstract

According to Max Weber charisma will be applied to a certain quality of individual of which he is considered extraordinary and treated as endowed with supernatural, superhuman or at least specifically exceptional powers or qualities (Weber, 1978). In this paper we focus on the charisma of Prof. Martti Saario, and what role his charisma played in the accounting change in Finland in the middle of twentieth century. Our aim is to demonstrate that his exceptional personality with charisma succeeded in communicating a meaningful and appealing message to his students and other followers. The intended contribution of this article is to enlarge our understanding of accounting change in a national context, and discover how a personal charisma plays a role in a historical accounting change.

Key Words: Accounting change, Finland, charisma in accounting

Introduction

From a historical perspective it is notable that the greatest accounting changes have originated in ideas of individual actors. The primary origin of today's accounting theories and systems was the double account system, published by Luca Pacioli in his book *Summa Arithmetica Geometria, Proportioni et Proportionalita* in 1494. The contribution of A.C. Littleton's thought in the area of accounting education, theory and practice has been unparalleled (Bedford & Ziegler, 2016). In Germany, Eugen Schmalenbach, Professor at the University of Cologne, had a great contribution to the accounting. His accounting chart model in 1927 was even a sensation, since it was presented in an academic format (Richard, 1995; Schmalenbach, 1919; Wüstemann & Kierzek, 2005).

This study examines the accounting change in Finland, and the contribution of a Finnish professor Martti Saario (1906–1988) to the change. His creation, the expenditure-revenue theory, has strongly influenced Finnish accounting thought, education and practice until the present day (Näsi & Näsi, 1996; Pajunen, 2010; Pihlanto & Lukka, 1993, 1994; Virtanen, 2007). Saario's theory was developed in the academic world, implemented by accounting professionals in practice and absorbed into Finnish tax legislation (The Corporate Tax Law 1968/360) and accounting legislation (The Accounting Act of 1973/655). This kind of progress is not typical of academic research, and its major benefits have been delivered outside of accounting practice or legislation. Kaplan (2011) wrote of a gap between accounting research and practice, stating that much accounting research has been reactive. While academic research has studied, evaluated, and explained existing practice, it has not contributed to advancing that practice (Kaplan, 2011).

According to Watts and Zimmerman, no single accounting theory is generally accepted, but there are local factors that create a demand for a theory (Watts & Zimmerman, 1979). This paper analyses the Finnish societal and economic context where Saario's theory was developed, and discovers what role Prof. Saario had in the changing process. Since there is comprehensive research on Prof. Saario's accounting theory (Näsi, 1990;

Näsi & Näsi, 1996; Pihlanto & Lukka, 1993, 1994) we draw on a qualitative approach to study his personality and charisma (House et al., 1991; Brown, 2011; Watts & Zimmerman, 1979). Weber opposed notion of charisma with everydayness of bureaucratic and traditional authorities, and portrayed charismatic as extraordinary features and otherworldly indifference (Joose, 2014; Adair-Toteff, 2005; Weber, 1978). Weber's term on charisma has seen to be a social construction in social dynamics that are not stable but last only brief periods offering way to a historical change (Chua & Poil-laos, 1998; Caramanis, 2005; Carnegie & Edwards, 2001). In fact, Weber was not necessarily interested in what charisma is. Rather, he was interested in the transformation of charisma into something permanent and institutionalized (Adair-Toteff, 2015; Joosse, 2014).

We interviewed five emeritus Professors who were students and/or colleagues of Prof. Saario in order to understand Prof. Saario's personality (Carnegie & Napier, 1996; Collins & Bloom, 1991; Hammond & Sikka, 1996). Another source of data for this study was historical written documents and literature. The intended contribution of this study is to enlarge our understanding of accounting change in a national context, and represent the concept of charisma in an accounting change. It is evident that charismatic personality can play as a catalyst in historical development what accounting change is (Caramanis, 2005; Weber, 1978).

Accounting change

Literature on accounting change

In the previous literature accounting change is seen in the first place as response to economic, social and political pressures (Napier, 2001). In a political process interrelations between accounting and state are central for changing (Hopwood, 1987; Miller, 1990; Napier, 2001; Watts & Zimmermann, 1986, Zeff, 1978 etc.). In an accounting change the roles of accounting and the objectives of government together serve political rationales (Miller, 1990). The adopting of accounting change is as much a product of political action as empirical findings (Horngren, 1973). Accounting theories are embodiments of the political process, where individuals are using and seek-

ing power of government in order to achieve wealth transfers (Watts & Zimmerman, 1979). There is a lot of evidence that politics plays an important role in the lobbying for an accounting change (Gipper et al., 2013). When politicians support an accounting change they tend to adopt the public interest arguments advanced by the special interests who promote the change (Watts & Zimmermann, 1979). In an organizational context accounting change is presented as an inter-play between new accounting practices, routines, institutions, power and politics (Burns, 2000).

Watts and Zimmerman (1979) suggest that there is demand for accounting theories because they will serve certain functions in an economy. Firstly, there is a pedagogic need for accounting change. Costs, techniques and formats vary across firms, and theorists are needed to examine existing systems and summarize differences and similarities which can lead to certain accounting procedures. Further, the auditors would value information in the form of theories and they would like to know how managers' actions would be affected by alternative accounting procedures. It is possible that managers would use accounting to serve their own interests at the expense of shareholders. If here is an accounting theory usable, the auditor is able to monitor managers' behaviour and have readymade arguments to use against such practices of the management. Private citizens, organizations and politicians have incentives to employ the powers of the state to make themselves better by legislation that redistributes wealth in the society. In the political process financial accounting has a central role when wealth is transferred from a group to another. This transfer happens directly by affecting to the contents of financial statements and indirectly by legislative decisions based on financial statements. The relationship between the government intervention and accounting theory produces a demand for theories because each group affected by an accounting change demands a theory that supports its position. There is a need for theories that prescribe the world. It is seen there that individuals involved in the political process act in their own interest rather than a public interest (Watts & Zimmerman, 1979).

It is obvious that accounting change has to be validated by accounting professionals before they can be widely accepted in society. Professional practitioners have great power, founded on their body of knowledge (Hines, 1996). When aspiring to fill the gap between academic research and practice, it is necessary to work on problems whose solutions will expand the common body of knowledge for accounting practice (Kaplan, 2011). All great accounting innovations have first been validated by accounting professionals. Double entry bookkeeping started its triumphal march in practice in the British Railways (Edwards, 1985) and the ideas of Littleton were validated by the American Accounting Association (Bedford & Ziegler, 2016). There is no accounting without accounting professionals who have the power to change not only accounting practices but also social practices and society (Burchell et al., 1980; Edwards, 1985; Hines, 1996; Romeo & Rigsby, 2008). Littleton also saw that theory and accounting practice represented a single body of knowledge and were not separable. He firmly believed that practice reflected theory and that theory found its expression in practice (Bedford & Ziegler, 2016).

Demand for an accounting change in Finland

Financial statements mentioned in the first Finnish Accounting Act in 1925 were a balance sheet and a calculation of profit or loss. Format for presentation of the assets, liabilities, revenue and other elements of financial reports was free. The objective

of reporting was to supply information for the owners of the firm related to their property. After the Second World War the ownership of companies was moving from sole trader entrepreneurship to bigger companies owned by shareholders. It had become evident that the prevailing accounting practice and legislation were too narrow for the current use of the accounting function in society in the middle of the twentieth century. This changed when Saarios' expenditure-revenue-theory was outlined and adopted as the theory basis for accounting legislation. The government introduced new legislation where the fundamental change was to incorporate Saario's expenditure-revenue theory as a theoretical framework for taxation and accounting (The Corporate Tax Law, 1968/360; The Accounting Act of 1973/655). The main purpose of accounting was now annual profit measurement and the financial statement was seen to be only of minor importance. After 1973 the financial statements were made up of an income statement, a balance sheet and notes which had to be prepared according to the Saarios' theory. A very important user of the financial statements was the Government and its' agents, and in many cases the taxation purposes led the presentation of the annual accounts.

There are several cultural attributes listed by Nobes (1998) which can explain, at least to some extent, the spreading of Saario's theory in Finland (De Silanes et al., 1998; Nobes, 1998). Applying Nobes' (1998) classification, Finland was a country with weak equity outsider market, like other Scandinavian countries (De Silanes et al., 1998). Finland is situated between Russia and Europe, which means that location and history have certainly influenced Finnish accounting thinking. Finland has a unique culture and an original language. As in the Netherlands, where accounting was influenced by Limberg's theory and in Germany where Schmalenbach was influential, so in Finland Saario's theory became the leading approach to national accounting (Nobes, 1998).

The accounting education in the first half of the twentieth century was young in Finland, and there was certainly a need for a rational theory to replace the prevailing rules of thumb in accounting practice. Finnish accounting education was immature but strong, having been established at the beginning of the twentieth century (Näsi & Näsi, 1996). The Institute of Authorized Public Accountants was founded in 1925, and the Association of Finnish Accounting Firms (Talouhallintoliitto) in 1968. The accounting education sector and profession were seeking a position of knowledge in the accounting field. Saario's theory was in use when the associations expanded their power in accounting education and in the development of professional practice (Virtanen, 2009). The Accounting Board operating under the auspices of the Ministry of Employment and the Economy was established in 1973 to give instructions and opinions on the application of the new Accounting Act based on Saario's theory. The accounting professionals had a strong representation on the board (Virtanen, 2007).

While the only users of accounting information had been the owner and any creditors of the company, Saario's theory offered information to several stakeholders outside and inside the firm. In the new economic situation, it was important to be sure that the managers of the companies were not able to further their own interests at the expense of shareholders. Accounting theories made it easier for auditors to monitor managers' behaviour. There were much more users of financial documents than before; owners, lenders, management, the Government, tax officers and other authorities who needed the information for their own purposes (Virtanen, 2009). The objective of documents was much wider than before; they were supposed to follow

property, to calculate profit and also to offer tools for the management of the firm and for the control of the Government over the firms (Näsi, 1990; Virtanen, 2009).

It was understood that only theory-based accounting could give a fair presentation of the financial activities and the profit for the year. However, there was a certain hidden purpose of the new legislation; through it the government tightened its grip over companies. A company's taxation was based on accounting, and the profit of the company was divided to taxes and dividend to the owner. In practice, accounting was in many cases made for taxation purposes, especially when the tax rate was as high as 40 per cent of the profit for taxation. The company, however, was allowed to make write-offs and reservations for taxation purposes, and finally the new legislation was very agreeable to both the companies and the government (Stenman, 1974; Virtanen, 2007, 2009).

The accounting change was a political process as well (Burns, 2000; Gipper et al., 2013; Hopwood, 1987; Miller, 1990; Napier, 2001). Saario's accounting theory was presented in 1945 and was incorporated into accounting legislation 28 years later in 1973. The explanation for why it did not happen before lies in the relative support for the major parties in the Finnish Parliamentary elections 1945–1972. During the period the support for Finland's Center Party (CENT), generally supported by farmers, reduced 21.3 % to 16.4 % during the period 1945 to 1972, and the support for the Left Party from 23.5 % to 17.0 %. In the same period, a new party, the Smallholders Party of Finland (Pientalonpoikien puolue, SAF), was rapidly gaining support (Press, 2013). The National Coalition Party (Kokoomus, SAML) was also starting to rise in popularity. The statistics reflect changes in society and in the political climate in Finland that turned to right and was more favourable to entrepreneurship. Evidently, by 1973, the body politic had changed sufficiently to incorporate Saario's theory into accounting legislation. The accounting change prescribed largely the future of the Finnish economic and national development during the following decades. Accounting legislation, especially combined with taxation, is used to transfer wealth from one group to another (Hopwood, 1987; Miller, 1990). A consequence of the accounting theory in Finland was to facilitate a great transfer of wealth from firms to the government. After the Second World War, wealth was used for reparations and reconstruction: in the 1960s and 1970s wealth was needed for education and social welfare. It is notable that this was the period in history when the ideal of social welfare was established in Finnish and other Nordic societies. Saario's accounting theory offered a great opportunity for the government to intervene in the operations of firms and collecting taxes and sharing welfare to the society.

Data and method

The data for this study was collected through interviews and archival sources. The interviews were carried out in the winter of 2011 and each of the five Emeritus Professors was interviewed once, lasting from 60 minutes upwards. The interviews took place in homes or work places of the interviewees, and hence we also had opportunities to informal and easy discussions. The Professors told their stories freely, thinking back Martti Saario and his personality. All interviews were tape-recorded and transcribed thereafter. In Table 1 are presented the Professors we interviewed, their relationships to Martti Saario, and the date and place of the interviews.

Oral history represents a historical methodology, which have great potential for illuminating past events, and like in our stu-

Interviewee	Relationship with Martti Saario	Interview date	Interview place
Prof. Pertti Kettunen	Saario's student	25.1.2011	Prof. Kettunen's home, Jyväskylä
Prof. Kalervo Virtanen	Saario's student	7.2.2011	Prof. Virtanen's home, Helsinki
Prof. Reino Majala	Saario's assistant	8.2.2011	Turku School of Economics, Turku
Prof. Veijo Riistama	Saario's student	2.5.2011	Oy Tuokko Ltd, Helsinki
Prof. Pekka Pihlanto	Saario's student	8.2.2011	Turku School of Economics, Turku

Table 1 Interviews for the study

dy, for researching life stories. Interviewees may offer new information and other perspectives on written material (Collins & Bloom, 1991). However, oral history has rarely been used as a research methodology in accounting despite of the fact that it is capable shedding light on the lived experiences of people and events in the past (Hammond & Sikka, 1996). We started the data analysis during the data collection process, after that we read the data carefully through many times. Our preliminary aim was to identify Saario's life story and personality, and write a biography. However, a biography of Prof. Saario is written already, and published in *Twentieth Century Accounting Thinkers* (Edwards, 1994; Lukka & Pihlanto, 1994). We considered that our new collected interview data could have offered some new insights into the life of Saario and his influence on accounting discipline. Very soon we noticed that the notions of charisma were mentioned several times in the interviews. Prof. Majala, for example, said that Saario had a strong aura. Prof. Riistama emphasized his clear and original thinking, and he said; his charisma lied mostly in the clarity of his thought. This gave a new direction for our study of Prof. Saario, and we started to consider his charisma and how he used his charisma among his followers in accounting change (Broadbent & Laughlin, 2004; Carnegie & Napier, 1996).

The other source of data was written archival material. The archival data included text books and studies written by Saario (1945, 1968), Michelsen (2001), Näsi & Näsi, (1996), Pajunen (2010, 2011) Pihlanto and Lukka (1993, 1994), as well as Virtanen (2007, 2009). Moreover, sources include accounting and taxation legislation, rules on accounting, and articles published in Finnish professional journals, particularly in *Liiketaito* (Business Skills), *Tilisanomat* (Bookkeeping News) and *Tilintarkastus* (Auditing).

Carnegie and Napier (1996) presented that the theoretical perspective in accounting history research is a choice of the researcher. If a researcher believes that a theory helps to explain the phenomena under discussion, then there is no reason not to apply the theory to the domain of accounting history. Our choice was to use a loose theoretical background of charisma, represented by Max Weber. We cannot see Weber's writings on charisma as "a real theoretical framework" as he does not define the term charisma. Rather he defines what charisma is not; charisma lies not in bureaucracy, it is not a permanent structure, not rationally ruled (Weber, 1978). The theoretical perspective was needed for understanding Saario's charisma in its context, in Finland, in a certain time and among his colleagues. Charis-

ma by Weber is understood as a social construction; ... he does not derive his claims from the will of his followers... it is their duty to recognize his charisma (Weber, 1978).

Saario's life and accounting theory

A brief biography

Saario was born in 1906 in the small Finnish town of Nummi into a farming family and went on to attend the first university-level business school in Finland, The Helsinki School of Economics and Business Administration (HSE), that had been established in 1911. He graduated in 1929 with a degree in economic sciences and defended his licentiate dissertation (confering a degree somewhere between the present-day Master's and doctoral qualifications) in 1932. He worked as a lecturer 1929–1939 at the Business School in Viipuri, a town then in Eastern Finland that was subsequently annexed by Russia and renamed Vyborg (Pajunen, 2011; Pihlanto & Lukka, 1993).

In 1939, the HSE recruited doctoral students and also allowed sponsorship for the applicants. Saario was among eight applicants accepted (Michelsen, 2001). In addition to his doctoral studies, he worked in the archives of the tax office in Helsinki. (Michelsen, 2001). His studies suffered some serious misfortune; when Viipuri was lost to Russia, Saario lost some books and data, meaning the empirical part of Saario's work remained incomplete (Pajunen, 2011). Soon after the war, Saario submitted his doctoral dissertation for assessment. It was difficult to find examiners for his creation, because only a few people were familiar with Saario's topic, accounting theory. Finally, two examiners, Huugo Raninen and Carl-Erik Olin were found, and Saario was able to defend his doctoral thesis, *The Realization Principle and Depreciations of Fixed Assets in Profit Calculation*. The thesis was accepted in November 1945 (Michelsen, 2001; Pajunen, 2011).

...his dissertation was quite incongruous...there were some problems in the acceptance process. Professor Huugo Raninen, who was a professor in business economics, brought it about. Traditional accountants with a balance sheet way of thinking took it with a grain of salt. However, it was accepted. (Prof. Virtanen)

Saario's academic career was by no means smooth. He was hardworking and dynamic, and his aim was to develop accounting as an academic discipline. During his tenure at the university, Saario's expenditure-revenue theory gradually came to be accepted among his colleagues and students (Pajunen, 2011).

He held his professorship at the Helsinki School of Economics from 1948 to 1971 and at the Turku School of Business Economics from 1964 to 1973. He published textbooks, gave lecturers in academia and accounting professionals' courses. That way he was able to ensure a prominent role for his expenditure-revenue theory in the academic arena and in practical accounting education (Näsi & Näsi, 1996). The theory was clear and simple, and it showed in a very understandable way how accounting and financial statements were to be prepared (Pihlanto, 2011). Saario himself wrote that using an accounting theory makes it easy to categorize various diverse and heterogeneous phenomena to groups and understand under which rules these groups must be processed (Saario, 1968).

The theory had much in common with the ideas developed by other accounting academicians from the 1940s through to the 1970s. The model of the "entity" theory was developed by Paton and Littleton in 1940 in their monograph, *An Introduc-*

tion to Corporate Accounting Standards. The theory's central emphasis was a measure of earning power, which enabled external users of the resulting information to assess managerial performance. This was crucial because non-owner-controlled companies proliferated during this period. In Saario's theory, the idea was exactly the same; to match historical costs to revenues in the income statement and to calculate the profit by subtracting the costs from the revenues. The most important non-owner in Finland was the taxation, the invisible partner, or Fiskus as Saario called him. Fiskus was understood to be both the financier and the owner of the company (Bedford & Ziegler, 2016; Saario, 1945, 1968). Schmalenbach & Saario view assets to be "revenue charges in suspense", awaiting some future matching with revenue as expenses, like Paton and Littleton did (Wüstemann & Kierzek, 2011).

Saario's charisma

Charisma is not a new concept in business research (Caramanis, 2005; Conger et al., 1987; Glynn et al., 2008; House et al., 1991; Joosse, 2014; Shamir, 1994; Takala, 1979; Takala et al., 2013). Chua and Poullos (1998) and Caramanis (2005) employed their studies on Weber's class-status-party model and his views on history process for understanding professionalization of accountants. Charisma literally means gift of grace, and it is a socially constructed feature that is dependent upon the personal aura of a great personality (Caramanis, 2005; Weber, 1978). Based on Weber (1978) charisma is a certain quality of an individual personality. Charisma has been defined as a kind of personality attributes which a person either has or does not have (Brown, 2011, Conger and Kanungo, 1987; House et al., 1991; Takala et al., 2013). Such personal attributes as physical appearance, energy, trustworthiness, perseverance, use of voice and rhetorical skills have been examined as charismatic traits (Bryman, 1992.) According to Steyrer (1998) there are two important aspects of charisma. Firstly, the leader's exceptional and exemplary qualities are of importance. Secondly, those qualities are evaluated by followers, that is, charisma lies in the eyes of followers. The most important quality is evidently the ability to recast the world in a new light, providing followers with a life-changing vision (e.g. Conger & Kanungo, 1987; Glynn and Dowd, 2008; Takala et al., 2013; Tiryakian, 1995; Weber, 1978). Besides personal factors, situational factors have also been seen as a key in defining charismatic leadership (Bryman, 1992). Followers not only see the leader's behaviour and personality but also account for subordinates and situation-specific factors (Shamir et al., 1993; Conger, 1999). Charismatic personalities are self-appointed leaders who are followed by those who are distressed and who need to follow the leader because they believe him to be extraordinary qualified (Caramanis, 2005; Weber, 2009). In a changing environment, a charismatic individual can succeed in communicating a meaningful and appealing message to followers (Lämsä & Hautala, 2008). A charismatic person is able to change the history, as Weber (1978) wrote; ...charisma is indeed the specifically creative revolutionary force of history, and ...the natural leaders in moments of distress - whether psychic, psychical, economic, ethical, religious, or political... were bearers of specific gifts of body and mind... (Weber, 1978).

Saario looked like a typical professor of those days. He was more fleshy than skinny, despite playing volleyball, and often wore a grey tweed suit, usually with a bow tie. It was a tidy, but not too dressy, and his outlook was rather bohemian (Pajunen, 2011):

He had a suit with a vest. I think it was tweed, thick, light col-

our and a tie. He didn't dress in a dark suit. Sometimes he had a bow tie, like a cat's bow tie. (Prof. Pihlanto)

His outward appearance was not very sporty. He looked like an elderly gentleman. He moved very vividly during his lectures. Very often he had one hand in his pocket. His gestures were very strong. He was also a little fat. Indeed, he was no Adonis. (Prof. Riistama)

The interviewees reminisced about some examinations conducted by Saario. In those days, oral examinations were sometimes arranged. When Saario was examining a student who had researched an issue Saario was especially enthusiastic about, it could happen that Saario himself talked more than the student did.

I remember that sometimes there were oral exams... When Saario gave an oral exam, it was easy, because Saario himself talked more than the student. He became enthusiastic about his own ideas and talked and talked. We just had to listen. He might have asked something, but most of the time he talked about what he had been thinking. (Prof. Virtanen)

Saario also worked as an auditor alongside his university career. Prof. Kettunen remembers that auditing was sometimes very entertaining.

I did some auditing with him, mostly for building firms. That business is not especially sober. It was sometimes so that we went there in the morning, then we had lunch and in the afternoon we could not do any auditing. (Prof. Kettunen)

Saario's charisma is a distinct feature mentioned by his former colleagues in our interviews. Both Professor Pekka Pihlanto and Professor Veijo Riistama mentioned it directly, the latter suggesting Saario's charisma originated in his clever thoughts and deep thinking, while Professor Reino Majala, in his turn, mentioned that Saario had a strong aura (Pajunen, 2011):

Charisma radiated from him. A charismatic person is easily recognized even without knowing him beforehand. When a charismatic person enters a room, he/she is noticed. (Prof. Pihlanto)

There was something in him. Of course, he was an authority on bookkeeping and therefore, he had that special aura. Everybody knew that this is the Saario. It was naturally a big deal for us to have this kind of man as a professor. Studies got out of the rut. (Prof. Majala)

He was a talented orator who used a charismatic and down-to-earth personality to entertain and win over his audience. Obvious traits of Saario were his enthusiasm and spontaneity. It was said that his lectures were not always coherent, while creativity and interestedness dictated his presentations.

He was very impulsive person. He spoke with enthusiasm. When he was at full speed, his lectures were very rapid. He stood up on the fringe of the speaker's stand; he put his thumbs under the strap and swayed dangerously. Many were of afraid that he would fall. He was unsystematic. When he started he said now follows point one and then he continued speaking. But point two never followed. Any type of system was missing. (Prof. Virtanen)

Saario was literally an accounting thinker. His colleague Professor Virtanen describes how he enjoyed thinking specifically but not necessarily putting his thoughts down on paper. He solved one problem by thinking it through, and after that took on another issue. Prof. Pihlanto, reported by Pajunen (2011) told that Saario described himself as more of an inventor than a scientist (Pajunen, 2011).

Saario in due course gained certain fame in Finland after the expenditure-revenue theory received public recognition. He often lectured, and at various types of educational seminars and events for accounting professionals. Professor Pihlanto remembers that Saario appeared in a special way in tax seminars. The audience started to applaud as soon as he had drawn some lines on the blackboard (Pajunen, 2011).

Somebody said, I think it was Lehtovuori, that when he had a presentation about the expenditure-revenue theory, there was always a blackboard in the room; at least he always wanted to have that. He drew an account. Then he turned to the audience and bowed and the audience applauded. (Prof. Pihlanto)

A charismatic person can play as a catalyst in historical development (Carnegie & Edwards, 2001; Caramanis, 2005; Weber, 1968). We found in Saario's personality some important attributes of charisma, like physically appearance, energy, trustworthiness, perseverance, use of voice and rhetorical skills (Bryman, 1992). Charismatic attributes are evaluated by followers, that is, charisma lied in the eyes of his students and colleagues (Steyer, 1998, Takala et al., 2012; Weber, 1978). Saario was able to bring sense to the young accounting discipline, and show a way towards a strong accounting future, and he had a great number of followers in the young accounting profession (House et al., 1991; Bryman, 1992). Even decades after his dead, many stories of Martti Saario and his behavior are still living in the Finnish accounting community.

Summary and discussion

In this study we examined accounting change in Finland and how Prof. Martti Saario's charisma contributed to the accounting change. The change in Finland was a process of economic, social and political pressures (Napier, 2001). It served the goals of accounting professionals as well as the Finnish Government and politicians (Hopwood, 1987; Miller, 1990). Saario's theory offered rationality to business; provided information needed by several stakeholders, and was useful in dividing the profit between the owner and other parties, especially the personification of taxation, called by him Fiskus (Zimmermann & Watts, 1979; Saario, 1968). To owners of the company, it provided a monitoring mechanism to oversee managerial activity and calculate profit. To the government the theory offered a means of control over firms and facilitated tax collection. The body politic used the theory in transferring wealth and gaining voters (Napier, 2001; Miller, 1990; Gipper et al., 2013). The theory was a commodity with several good qualities (Watts & Zimmermann, 1979), it was rational, suited for the purpose and easy to learn, factors that swiftly established it among accounting professionals, who became the main disciples of Saario and put his ideas into practice.

The main contribution of this paper to the literature of accounting change is to represent how Prof. Saario's personal charisma was a factor or catalyst in a specific historical accounting change (Caramanis, 2005; Carnegie & Edwards, 2001). Saario's charisma with the emphasis on his personality, behaviour and

talent of a speaker was a reason for the success of the theory. He was able to charm his students and accounting professionals, who put his theory into practice. The academic environment provided the ideal place from which to spread the ideas; the audience was ready and after graduating, the students applied the theory in their everyday work. Accounting professionals attained a respected position in society due to their application of a scientific theory (Hines, 1996; Watts and Zimmermann, 1979). Indeed, it is said that social circumstance and social interaction can sometimes explain charisma better than the personality alone (House et al., 1991; Takala et al., 2013).

There is a number of limitations involved oral history methodology. It is important to interview relevant people in order to achieve a balanced view. We were lucky to find five people who remembered Martti Saario, and were able to evaluate his personality and life work. In fact this was the last moment to record their views (Carnegie & Napier, 1996). Another limitation of oral histories presented by Collins and Bloom (1991) is

the lack of trust between the interviewees and interviewers. We could not sense this kind of distrust. We had access to the homes or work places of the interviewees, and as being accounting researchers we had a common language with the interviewees. Furthermore, there is a limit to the number of individuals who can be interviewed. We interviewed five Emeritus Professors, and we see that this is a suitable number for the purpose of this research as they were in very close relationships with Martti Saario (Collins & Bloom 1991).

The findings of this study encourage us to study accounting change from a more holistic perspective. The big changes need a certain social, political and historical context to be happen, as Napier (2001), Burns (2000), Hopwood (1987), and others have presented. Accounting changes need demand markets as Watts and Zimmermann (1979) suggested, and accounting professionals for spreading the message. Finally, a historical accounting change needs powerful and charismatic persons to reverse the direction of history (Caramanis, 2005; Weber, 1968).

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