25 years (and more) of Management Accounting Research

Professor Robert W Scapens
Manchester Business School, UK
Birmingham Business School, UK and
University of Groningen, the Netherlands

ENROAC, NUI, Galway, June 2015

Some Readings


Forthcoming MAR SI: Summer 2016
Management Accounting Research

- Established in 1990
  Editor-in-Chief to end 2014
- 25th Anniversary Conference
  LSE 17th April 2015
  Special Issue forthcoming
- ENROAC
  10th Conference
  First conference in MBS 1999
  → 16 Years

Outline

- Historical Review
  Pre-MAR history
  1990s
  2000s
- Achievements
- Some Questions
  A coherent body of knowledge?
  Relevance?
- Implications/messages
Pre-MAR History

1970s: Quantitative models (normative)
- Economic orientation: management decision making and control
- Normative: mathematical models without any practical testing
- What practitioners should do
- Theory vs. practice
- Practitioners will learn eventually
  *Arrogant*: in ‘Ivory towers’

1984: Survey Paper

ESRC Funded Reviews: *Three Surveys*
- No agreed definition of MA
- Textbooks: based on research in 50s/60s
- Gap between theory and practice
  *Not explained by time-lag*
- 1970s research
  *Based on neoclassical economics*
  *Added information costs/benefits*
  *Very complex models [vs. rules of thumb]*
Pre-MAR History

Early 1980s Empirical (quantitative) studies
► Based on economics & contingency theory
► Increasing recognition of “gap between theory and practice”
► But limited knowledge of practice
  ➔ Surveys – largely descriptive
  ➔ Fieldwork & Case studies
  ➔ ‘Never mind the gap’ paper [1994] Instead understand/explain practice

Pre-MAR History

1980: Alternative Perspectives
► Questioning of traditional economic mainstream approaches
  ➔ studying broader social, political and organisational context
    (AOS started 1976)
  ➔ used diversity of social theories
► Increasing use of case studies to understand management accounting practices
  ➔ BAR (1990) paper on Case Studies
The Scope of ‘management accounting’ is quite broadly defined.
Papers must make an original contribution to knowledge of management accounting.
Range of theoretical perspectives and methodologies encouraged.

Table 4
Theory used.

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Research methods.

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HAS MANAGEMENT ACCOUNTING RESEARCH BEEN CRITICAL?

- Social and critical theories
- Contingency theory
- Management control and system theories
- Economic theories
- Psychological and social psychological theories
- Social network theory
- No theory or unclear
MAR 25th Anniversary Conference papers

► Trevor Hopper’s question:
Answer ‘No’ = using the IPA definition of critical, but
European research ... multidisciplinary, eclectic and multi-paradigm

► Teemu Malmi: Constructivist and Managerialist Studies
MAR provides ‘only’ high quality outlet
Focus on specific issues/problems – difficult to see accumulation of knowledge

MAR 25th Anniversary Conference papers

► Contingency-based approaches
David Otley: organisational/Matt Hall: individual

► Otley: MA/MCS now PMS
Connections between elements in MCS
Need more qualitative/interpretive work
Little accumulation of knowledge

► Hall: need to link individual/organisational studies
Proposes studies of dynamics/change
How is fit achieved?
### MAR 25th Anniversary Conference papers

**Other papers**

- **Joan Luft: behavioural experiments**  
  Replications (i.e., building on prior work) and possibilities of conversations between methods

- **Henri Dekker: inter-frim relationships**  
  Compares/contrasts insights from inter- and intra-organisational studies

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### MAR 25th Anniversary Conference papers

**Looking for the bigger picture:**

- **Building accumulated knowledge**  
  Not simply ‘pure’ replication, but building on and extending existing knowledge  
  E.g., using similar frameworks/measures

- **Making connections between**  
  Methods: quant/qual & exp/survey/field  
  Levels of analysis: ind/org & inter/intra  
  Theoretical approaches
Achievements of Management Accounting Research

Broad scope of academic research

- Methodology and methods
- Discipline-basis
- Theory

MAR and management accounting academics (more generally) open to diversity, but there are paradigms in other journals

See Special Section in MAR June 2010

What has been Achieved? The Contribution

Rich understanding of practice

- Both quantitative and qualitative
- Highly theorised explanations

But in separate areas and research follows practice

- Academics generally critical of new "consultant" techniques (but they have had a real impact on practice)
- What impact have academic theories had?
Impact on Practice

- Can/should academics have an impact on practice?
  Not just new “fashionable” techniques
- *But*: establishing the relevance of theoretical explanations for practitioners
- *And*: involved in promoting these new ideas and theories to practitioners
  *But*: What do we mean by relevance?

Public Academics

David Cooper: EAA Symposium

- Universities are not (yet) research units of large corporations.
- Academic research provides understanding, discomfort, challenge. Upsets conventional ways of thinking and knowing
- David’s observation: We are too close to practitioners and senior managers
  *That’s not my view*
Theory and Practice

► Today: gap between researchers and practitioners
Do practitioners read academic papers? NO!
► But researchers are trying to understand and develop knowledge of practice
► However, to be relevant knowledge has to be practiced

Seeking Relevance

► Working with practitioners in organisations
► Working through professional bodies
► Advising/lobbying Government, regulators and policy makers
► Engaging in public and practical debates: E.g., through articles and presentations
Practicalities

Constraints:
- Research assessment exercises
- Journal Rankings
- Reward systems in universities
- Lack of professionally trained academics
- Little empathy with practitioners

Analogy

Medical research:
1. Biological sciences
2. Medical researchers
3. Medical practice
doctors
policy makers

What do we do as management accounting researchers?
Analogy

(Management) Accounting is a practical subject:
► Which has become an academic discipline over the past 40 years, or so.
   Developed out of economics
► Needed to secure legitimacy of the area
   ‘Scientific’ methods initially economics
   Then other theoretical perspectives
► It subject mature enough to move to next stage?
   Bringing theory and practice together

Key Messages
► Reflect on how you build on and extend existing studies
   → accumulation of knowledge
► Look for broader connections
   → thinking outside the ‘box’/area
► Be prepared to say (and to promote) why it matters others outside universities
   → relevance
Discussion