



Management Accounting Research: 25 years on



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ABSTRACT

This Editorial introduces and comments on the implications of the papers presented at the 25th Anniversary Conference of *Management Accounting Research* which was held at the London School of Economics and Political Science in April 2015. It first examines the context in which *Management Accounting Research* was founded in 1990 and then introduces the six invited review papers. These papers cover a wide range of subjects comprising critical and social theory, managerialist studies, contingency theory, experimental behavioural research and intra-organisational management accounting. Amongst various other recommendations, some of the authors suggest that there is a need for research in management accounting to more effectively build on prior research so as to accumulate knowledge about specific issues and problems. In addition, they suggest that researchers in the different areas (or sub-disciplines) of management accounting should talk to each other more. For instance, insights and findings from qualitative research could be used to inform quantitative studies and vice versa. The later parts of this Editorial discuss opportunities and challenges for management accounting research in the future. In particular, it is pointed out that, compared to when *Management Accounting Research* was founded in 1990, researchers now have highly theorised understandings of management accounting practices, and one challenge is to use these understandings to try to close the 'practice-research gap'. It is argued that management accounting theories have had a relatively limited impact on practice and, as there are increasing pressures on universities to demonstrate the impact and value of university research, some suggestions are made about ways of increasing the impact of management accounting research.

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1. Introduction

Management Accounting Research was founded in 1990 and in April 2015 we organised a conference to celebrate its 25th Anniversary. Six management accounting researchers, all of whom have been members of the Editorial Board, were invited to present papers reviewing specific areas of research in management accounting, and to reflect on the contribution of *Management Accounting Research* to their area. In addition, we invited the new editor, Wim Van der Stede, to chair a plenary discussion during which three other management accounting researchers discussed directions for the future. This *Special Issue* contains the six review papers, as well as the three plenary contributions and Van der Stede's commentary which introduces them.

Before introducing the papers in this *Special Issue*, we will describe the context in which *Management Accounting Research* was founded. We will then introduce the papers and point to some of their conclusions, especially the achievements of research in the management accounting field. We will finish by suggesting some challenges and opportunities for the future. We begin, in the next section, by looking back at some of the early research in management accounting, and the context within which *Management Accounting Research* was founded.

2. The past and the founding of *Management Accounting Research*

In the 1980s, before *Management Accounting Research* was founded, the management accounting community in the UK was small and scattered amongst various universities, and there were few domestic or international networks for researchers and very few journals in which to publish their research, especially research

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of a non-economic nature.¹ The leading US journals were regarded as inaccessible, favouring financial accounting research, and interested only in management accounting papers which were based on economics and had a theoretical or a strongly empirical stance. Most established UK university teachers of management accounting had come from practice and were non-researchers, or they tended to undertake practice-based research. These and other problems were also being experienced, to differing degrees, by management accounting researchers in other countries.

At that time, UK researchers in the area had only just begun to obtain PhDs. However, a large number of relatively new research avenues were opening up and new approaches and methods for research were becoming available. Furthermore, much of the earlier research was beginning to be questioned or rejected. In this sense, it was a good time to launch a specialist journal in the management accounting area.

As part of a research project funded by the then Social Science Research Council,² Scapens (1984) surveyed the state of management accounting research at that time, by reviewing the contents of the (then) current textbooks, as well as papers in research journals. He came to the conclusion that there was no generally accepted definition of management accounting. Subsequently, providing a definition of management accounting has continued to be very difficult. However, Scapens (1984) pointed out that the then current textbooks seemed to 'know' what management accounting was; or at least, the textbooks had a common set of contents, based primarily on earlier research which studied decision making from largely economic, management science and operations research perspectives. However, when looking in detail at the contents of these textbooks and comparing them with what was then known about practice, it seemed clear that there was 'a gap between theory and practice'. Furthermore, it did not seem likely that this gap could be explained by a time lag between developing theoretical ideas and diffusing them in practice. It is fair to say that, at the time, we knew relatively little about management accounting in practice. The general view seemed to be that organisations used the traditional tools and techniques, such as overhead allocation, budgeting and standard costing.

Scapens' views were reinforced at the 1984 Deloitte, Haskins and Sells seminar which was devoted to management accounting. Papers were presented by leading US and UK researchers, and also by practitioners. As well as researchers, the audience included senior auditors and accountants from industry, some of whom provided commentaries on the academic papers.³ Horngren and Kaplan both pleaded for more studies of management accounting practice, and Horngren called for such studies to be undertaken using a behavioural lens.

In summarising the conference, Bromwich gave three reasons why it was "the worst of times" for management accounting (see Bromwich and Hopwood, 1986; p. 217). Firstly, the papers almost unanimously suggested that research had little impact on practice and that practice had remained rooted in the past. Secondly, researchers did not know or care whether this was the case, even though at least some management accounting teaching in

UK universities was research oriented, and the relevant professional examinations also incorporated research findings. Thirdly, the conference had suggested that management accounting lacked a theoretical framework, being a collection of rather loosely related subjects. Arguing against this view, practitioners pointed out that they were well aware of the problems with the available tools and they compensated for these problems in their decision making. Moreover, they were themselves seeking to innovate and researchers should seek to understand and learn from such practical innovations.

If we look back to the 1970s, most management accounting research was grounded in neo-classical economics. For example, based on neoclassical economic assumptions, researchers adopted a management science/operations research perspective to develop various decision models, some of which were mathematically quite sophisticated. Scapens' survey paper reviewed these mathematical decision models, but pointed out that generally they remained untested in practice. Furthermore, if information costs and benefits were taken into account, it could be shown theoretically that in some instances simple rules of thumb could be optimal. This provided a possible explanation for the gap between theory and practice—i.e., the theoretical models failed to take account of the costs and benefits of their use in practice. However, at that time, although there were some general presumptions about the nature of management accounting in practice, there was relatively little systematic and/or in-depth research into management accounting practice. Management accounting researchers were more concerned about improving 'practice' by developing normative models which practitioners were then expected to use. Unfortunately, there was no evidence that practitioners did use them, or indeed that they wanted such normative models. It is probably fair to say that management accounting researchers at that time were operating in their 'ivory towers', and adopting a somewhat arrogant attitude about what should be done in practice, perhaps without understanding the complexity of practice in an imperfect world.

However, in the early 1980s, management accounting researchers started to study management accounting practice. Initially there were various surveys and an increasing number of largely descriptive case/field studies. Some of this research was simply used to reinforce the perception of a 'gap between theory and practice'. Other researchers, however, began to draw on organisational and social theories, and especially contingency theory, to study management accounting. *Accounting Organizations and Society*, which was founded in 1976, was particularly prominent in publishing this type of research. Furthermore, management accounting researchers started to use a wide range of organisational and social theories in case/field studies and surveys that were designed to understand management accounting practices. Nevertheless, the economics perspective continued to be used by most 'mainstream' management accounting researchers. So, when *Management Accounting Research* was founded in 1990 a wide range of disciplines, methodologies and theoretical frameworks were starting to be used by management accounting researchers.

Consequently, when we were invited by Academic Press⁴ and the Chartered Institute of Management Accountants (CIMA) to edit *Management Accounting Research*, one of the first decisions we took was to make the scope of management accounting research very broad in order to avoid the papers published in the journal being constrained to a particular view of the nature of management accounting. Furthermore, we wanted researchers to bring to the journal whatever theoretical perspectives and methodologies they considered appropriate for research in the field of manage-

¹ The European Accounting Association was founded in 1977. In the UK the Management Accounting Research Group was established in 1979 by the then Social Science Research Council and the Institute of Chartered Accountants in England and Wales, joined shortly afterwards by the Chartered Institute of Management Accountants, in order to establish an academic network for management accounting researchers.

² The Social Science Research Council (SSRC) changed its name to the Economic and Social Research Council (ESRC) on 1 January 1984. The research was undertaken in 1982, and subsequently published in 1984.

³ This DH&S seminar was co-sponsored by the Economic and Social Research Council and the publisher, Pitman.

⁴ *Management Accounting Research* was originally owned by Academic Press, but subsequently sold to Elsevier.

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