



## Managerialist studies in management accounting: 1990–2014<sup>☆</sup>



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### ARTICLE INFO

#### Article history:

Available online 26 February 2016

#### Keywords:

Literature review  
Managerial relevance  
Managerialist studies  
Constructive research approach  
Interventionist research

### ABSTRACT

This article provides a review of managerialist studies in management accounting, as presented in ten leading accounting journals over the past 25 years. The review covers both interventionist and non-interventionist studies in which at least one of the aims is to directly support or help organizational decision-making and control. Non-interventionist research reviewed is descriptive or conceptual in nature, or develops models, algorithms or frameworks of managerial relevance. Interventionist research reviewed covers both traditional action research as well as studies applying the constructive research approach. The contribution of various strands of managerialist research is assessed and the potential of this kind of research in management accounting for the future is discussed.

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### 1. Introduction

The purpose of this article is to review managerialist studies in management accounting. The paper analyses the developments of this strand of literature and assesses especially the contribution of Management Accounting Research (MAR) to this literature. As there is no exact and widely accepted definition for managerialist research, I start by discussing and defining the scope and classification scheme for this review. This is followed by details on how the review was conducted. Sections 2–6 review and assess the contribution of various strands of this literature, including the assessment of the role of MAR. The concluding section summarizes and discusses the potential of this kind of research in management accounting for the future.

Defining managerialist research in management accounting is not self-evident as many streams of management accounting literature have the intention of producing managerially-relevant insights. Experimental studies compare, for example, various incentive schemes and presentation formats in order to provide managerially-relevant insights (see e.g. [Cardinaels, 2008](#)). Contingency research aims to understand which accounting and control systems produce good outcomes in given circumstances. Ultimately such understanding would be managerially useful. Simi-

larly, analytic research addresses managerially-relevant questions. As the other authors of this special anniversary issue of MAR cover various strands of management accounting research, I will define managerialist studies in management accounting to be reviewed here as studies in which at least one of the aims is to directly support or help, in one way or another, organizational decision-making and control.

Managerialist studies are further classified to interventionist and non-interventionist studies. As the vast majority of management accounting research is non-interventionist in nature, the non-interventionist studies included in this review are identified as follows. First, I exclude research relying on analytic modeling, experiments conducted in laboratory settings, as well as survey and archival-based large sample studies. I include case and field-based research, but exclude interpretative and critical studies. In order to be included into this review, a case or field study needs to have had the purpose, explicit or implicit, of providing managerially-relevant insights. For example, descriptive case studies are included as the implicit assumption in publishing descriptions is that they contain some practically interesting insights for managers and accounting scholars to learn from. Studies motivated primarily in terms of theory development, testing or illustration are excluded. I include studies developing constructs, but which do not provide empirical evidence of the feasibility of the construct. Moreover, I also include normative studies providing managerial advice. Commentaries on a particular method such as Residual Income ([Bromwich and Walker, 1998](#)) or Activity-Based costing ([Mitchell, 1994](#)) are not included in this review although those commentaries might also provide valuable insights to practitioners.

<sup>☆</sup> This paper was presented at the 25th MAR Anniversary Conference held in London on 17 April 2015. The comments and suggestions by the participants, Bob Scapens, and an anonymous reviewer have greatly helped to improve the paper.

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Non-interventionist managerialist studies are further divided into three main groups. The first group includes descriptive studies. The second group includes conceptual prescriptive studies without empirical content. The third group includes studies suggesting frameworks, models, algorithms, or the like, but do not provide evidence of practitioners using the construct.

Interventionist studies are divided in two groups, action research and studies applying the constructive approach. The constructive research approach (cf. [Kasanen et al., 1993](#)) can be regarded as one sub-category of action research. The difference between the constructive approach and the other strands of action research is in the objectives of the research. In constructive research approach, the objective is to create a theoretically novel and managerially helpful construct and the construct is also the intended contribution. In other forms of action research researchers might be involved in creating a construct, but the objective is, by participating in organizational change and development activities, to gain a deep understanding of the various forces at play and to theorize based on those insights.

In this paper, constructive research approach refer to research in which a theoretically novel construct is created and its practical applicability is demonstrated. Action research refers to other types of interventionist studies in which researchers have participated in the change process, but where the purpose of interaction is not to create a theoretically novel construct. Not all action research in management accounting is covered here however—interpretative and critical studies using action research are not included, as they do not normally aim at managerially-relevant insights and they are covered by Trevor Hopper in this special issue. Those studies that develop a novel construct but do not provide evidence of its use by practitioners are included in non-interventionist studies.

This review covers the time period of the first 25 years of MAR from 1990 until 2014. The following journals, often considered to be among the best in the field of accounting research on management accounting, were included. First, MAR and the *Journal of Management Accounting Research* as these two journals are devoted to management accounting research. Second, the most highly ranked general accounting journals (in alphabetical order): *Accounting, Organization & Society*, *The Accounting Review*, *Contemporary Accounting Research*, *Journal of Accounting & Economics*, *Journal of Accounting Research*, and *Review of Accounting Studies*. Third, *The European Accounting Review* as it has published constructive research as well as published articles discussing the constructive method ([Labro and Tuomela, 2003](#)). Finally, *Qualitative Research on Accounting and Management*, as it is dedicated to case and field research and has a special issue on interventionist research.

All of the above-mentioned journals, including all of their issues, during the period in question were manually reviewed to identify relevant articles. The *Accounting Review*, *Journal of Accounting and Economics* and *Review of Accounting Studies* have not published a single managerialist research paper as defined in this review. [Table 1](#) provides a summary of the numbers of articles per research type, split between those published in MAR and other journals.

These articles are reviewed below, but no citation analysis has been conducted. Although citations are used widely as a surrogate for impact these days, such applicability is questionable here—if practitioners read and apply these methods, use does not create citations. Similarly, if our colleagues adopt these ideas and incorporate them into their teaching or their consulting practice, no citations follow. As management accounting research has no tradition of replicating studies, potential further applications of managerialist research are unlikely to come to the attention of the research community.

The review below starts with non-interventionist studies in Sections 2–4. They are followed by interventionist studies—action

**Table 1**  
Numbers of articles per type of study.

Non-interventionist studies	#	# MAR	# Others
Descriptive			
Japanese practices	7	5	2
Other novel practices	8	6	2
Conceptual	6	3	3
Frameworks, models etc.			
Framework by researcher	8	5	3
Model by researcher	3	1	2
Applications of existing method	11	7	4
Framework from empirics	4	3	1
Interventionist studies			
Action research			
Learning during intervention	10	7	3
Demonstrating value of existing concepts	4	3	1
Construct development without proof	1	1	0
Field experiments	2	1	1
Constructive approach	6	3	3
Total	70	45	25

research in Section 5 and studies applying constructive research approach in Section 6. Section 7 provides discussion and conclusion.

## 2. Descriptions of management accounting practice

The birth of both MAR and the *Journal of Management Accounting Research (JMAR)* can be traced back to the “Relevance Lost” debate of the 1980s. These claims sparked new interest towards management accounting research and as one of the claims was that both management accounting and research around it had lost its practical relevance, researchers were urged to study novel management accounting practices. This led to a stream of papers describing “innovative” practices.

In descriptive studies the researcher identifies management accounting practices developed in the field and provides a description of that practice for managers and researchers to consider. The researcher has no active role in developing the practice s/he describes; the intention is merely to report successful applications of MA from which others can learn. Descriptive studies do not intend to explain the origins or outcomes of the described practice as such, although some of these studies were motivated, for example, by the effects that advanced manufacturing technologies have on accounting. Moreover, an implicit assumption is that the described practice is useful to the organization in question and hence worth reporting for others to consider.

### 2.1. Japanese management accounting practices

[Monden and Hamada \(1991\)](#) describe Target Costing and Kaizen Costing in Japanese Automobile Companies. [Kato \(1993\)](#) aims to provide an understanding of target costing through a description of its supporting information systems. His article is based on experiences from leading Japanese companies, but the exact method of the study is not disclosed. [Carr and Ng \(1995\)](#), relying on a single case of Nissan UK and its suppliers, describe how total cost control/target costing is applied and the role of the finance function in cost reduction activities. [Everaert et al. \(2006\)](#) conduct three case studies of European companies aiming to understand how the principles of target costing are applied in practice. They suggest their detailed case descriptions provide best practice examples for other companies.

In addition to target costing, other Japanese management accounting practices have also been illustrated and discussed. [Ito \(1995\)](#) outlines what is needed to develop quality costing as a strategic cost management tool. The study is based on two case firms and his discussion sought to identify differences in manage-

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