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Editorial

Management accounting and the paradox of embedded agency: A framework for analyzing sources of structural change

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ABSTRACT

In recent years there has been a large and growing stream of management accounting research focusing on the theoretical puzzle often referred to as the paradox of embedded agency. That is, how can embedded agents come to (un-)intentionally change social structures when their interpretations, intentions, and rationalities are all shaped by these very structures? As a means of addressing this paradox we elaborate on how six qualities of social structures may work as sources of embedded agency, namely their Generality, Inadequacy, Ambiguity, Multiplicity, Embeddedness, and Reflexivity. This so-called GIAMER framework is then used to analytically disentangle common ways of explaining the paradox within the management accounting area and to propose ideas for future research. We close the editorial by presenting the three papers included in this Special Issue.

1. Introduction

Social structures have traditionally been seen as forces that shape social practices in ways that typically reinforce conformity and continuity (see e.g. [Giddens, 1979, 1984](#)). Despite this though, history has taught us that even the most ingrained and taken-for-granted practices may undergo change over time. Not least in the management accounting (MA) literature, there has been a large and growing interest in exploring the theoretical dilemma that arises in the intersection of these two contradictory insights, often referred to as the paradox of embedded agency ([Englund et al., 2013](#); [Covaleski et al., 2013](#), [Kilfoyle and Richardson, 2011](#); [Sharma et al., 2014](#); [Yang and Modell, 2013](#)). The dilemma is as follows: if agents are embedded in social structures which largely condition their interpretations, intentions, and rationalities, how can they come to (un-)intentionally change these very structures?

While the paradox as such was formulated for the first time some two decades ago (see e.g. [Emirbayer and Mische, 1998](#); [Holm, 1995](#)), our understanding of it has arguably evolved over time as researchers from different disciplines (including MA) have discussed it from different viewpoints and by means of different theoretical perspectives. In particular, our understanding has developed rather significantly as researchers have come to relate the paradox to theories that claim to have overcome the previously dominating dualistic view on the relationship between structure and agency (see e.g. [Emirbayer and Mische, 1998](#); [Giddens, 1984](#); [Macintosh and Scapens, 1990](#); [Sewell, 1992](#)).

Given this development, the time now seems opportune to try to summarize and assess some of the insights gained, and also to discuss avenues for the future. It is to this end that we turn in this editorial to the Special Issue on management accounting and the paradox of embedded agency. Besides introducing the three papers included in the Special Issue, our aim is threefold, namely to; (i) provide a synthesizing framework that identifies six generic explanations of the paradox of embedded agency; (ii) use the framework to analyze and classify commonly occurring explanations of the paradox in extant MA research, and based on this; (iii) discuss a number of key insights and directions for the future.

We organize the remaining parts of the editorial as follows. First, we provide an overview of the basic arguments underlying the paradox as such and how it has been debated in the institutionally oriented literature. Based on a duality-view of the relationship between structure and agency ([Giddens, 1984](#)), we then elaborate on how six different, but related, qualities of social structures can work as sources of embedded agency as they are drawn upon by knowledgeable agents in particular time/space situations. These qualities are their Generality, Inadequacy, Ambiguity, Multiplicity, Embeddedness, and Reflexivity, and together they form the GIAMER framework. In the ensuing section we use this framework to identify, classify and discuss commonly occurring sources of embedded agency in the MA literature. This is followed by a discussion of the kind of issues that the framework brings to the fore and a number of avenues for future research. We close the editorial by presenting the papers included in this Special Issue.

2. The theoretical roots of the paradox of embedded agency

The paradox of embedded agency is rooted in the notion of embedded agents; a notion that essentially works as a reaction to viewing social practices as purely grounded in individual interests, purposes, and intentions, and instead emphasizes that such practices are embedded in social

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structures. Adding the notion of a ‘paradox’ means emphasizing the seemingly inconceivable or contradictory idea of embedded agents being able to change the structures which provide the very conditions of the agents’ own constitution (cf. Emirbayer and Mische, 1998; Holm, 1995). When we henceforth refer to the notion *embedded agency*, we thus refer to the paradox of structurally embedded agents—intentionally or unintentionally—bringing about structural change.

The paradox of embedded agency has attracted widespread and sustained interest in the institutionally oriented literature as it provides a means of reconciling the divide between those that focus more on the first half of the notion ‘embedded agency’ (the structure-centred part of the literature) and those that have directed their attention more to the latter half (the agency-centred part of the literature) (for in-depth discussions, see e.g. Emirbayer and Mische, 1998; Giddens, 1984; Sewell, 1992).

Starting with the former, the structure-centred literature shares an interest in how social practices are constrained or shaped by social structures, and includes classical writings on structuralism and systems theory as well as more recent writings from a neo-institutional and path dependency perspective (see e.g. Sovacool and Hess, 2017). Although structural embeddedness may refer to many different things, ranging from rationalized myths (Meyer and Rowan, 1977) and common belief systems (Zucker, 1983; Greenwood et al., 2008) to scripts (Abdelnour et al., 2017; Zucker, 1987) and cultural schemes (Emirbayer and Mische, 1998; Hasselbladh and Kallinikos, 2000), they all direct attention to something *beyond* the individual agent. Something that is *collective or social* (cf. Abdelnour et al., 2017; Meyer and Höllerer, 2014; Scott, 2001; Zucker, 1977).

The structure-centred writings argue that social structures are *generative* of social practices (Amenta and Ramsey, 2010; Battilana and D’Aunno, 2009; Jepperson, 1991). That is, they provide a complex network of beliefs and conventions that not only prescribe particular practices, but also constitute the very ideals, discourses and intentions that make up such practices (Hasselbladh and Kallinikos, 2000). And on this basis, this literature has focused primarily on the more conforming and enduring aspects of social life. For example, institutionally oriented scholars have been concerned with issues of isomorphism (DiMaggio and Powell, 1983), repetitiveness (Oliver, 1991), social stability (Scott, 1987, 2008) and relative permanence (Zucker, 1977). This does not necessarily imply a view of human agents as ‘social dupes’ that mindlessly respond to whatever is expected from them. However, it has raised the question of how to conceptualize agency in a meaningful way while still taking into account the fact that social reproduction of these structures generally works towards conformity and continuity.

As a potential remedy to this question, another part of the literature has been more concerned with the latter half of the notion ‘embedded agency’. This literature ranges from early forms of action theories (based on the writings of Schutz, Mead, Goffman, Garfinkel and others, for overviews, see e.g. Giddens, 1979; Weik, 2012) to more recent writings covering issues of institutional entrepreneurship (DiMaggio, 1988; Battilana and D’Aunno, 2009), institutional work (Lawrence and Suddaby, 2006; Lawrence et al., 2011), and social movements (Fligstein, 2001; Lounsbury et al., 2003).

Although not necessarily focusing explicitly on the paradox of embedded agency, this literature has highlighted a number of issues concerning how to understand agency in an embedded world. To begin with, it has brought increased attention to the nature of the structures *per se*, such as where they are located (i.e. whether they exist beyond the individual agent or as mental models, see e.g. Heugens and Lander, 2009), their ontological status (i.e. whether they have an objective existence or exist only as social constructions, see e.g. Reckwitz, 2002), and their relative strength (i.e. whether they constitute an iron cage from which there is no obvious escape or whether they are a constraint that may be strategically dealt with, see e.g. Amenta and Ramsey, 2010).

Relatedly, this literature has enabled a more elaborated discussion of how agents are connected to, and may be able to act upon, the social structures in which they are embedded (Bandura, 2001; Hwang and Colyvas, 2011). For example, not only do agents know how to uphold particular practices, they may also skillfully draw upon various forms of information and knowledge about those very practices as a way of examining and changing them (cf. Giddens, 1990a). The premise is that abstract forms of representation allow agents to experience and reflect upon practices from a distance (Bandura, 2001; Bruce and von Staden, 2017; Hwang and Colyvas, 2011), to move ‘beyond themselves’ (Emirbayer and Mische, 1998) and engage in retrospective critiques of the existing arrangements (Colomy, 1998). They may also involve themselves in “an imaginative engagement of the future” (Emirbayer and Mische, 1998, p. 984). That is, they may construct images of a (wished-for) future in the form of ambitions, dreams, hopes, and desires (see also Bandura, 2001), where such images point to “the potential, not-yet-finished, vague or ‘becoming’ nature of these phenomena [...] rather than being established beforehand” (Weik, 2012, p. 573–74). And based on this ability to see possible wished-for futures, it has been suggested that agents are able to consciously and strategically involve themselves in bringing about structural change (Lawrence et al., 2011; Oliver, 1991).

However, while this stream of research has certainly brought issues of agency center-stage in the debate, parts of it have been criticized for being too obsessed with individual agency with the risk of ending up with a too muscular and heroic view of the individual agent (see e.g. Colomy, 1998; Mutch, 2007; Weik, 2011). In fact, some even claim that parts of this literature have weakened the very notion of structures to the point where, in principle, agents become *disembedded* (Abdelnour et al., 2017). Overall though, it seems that there has been somewhat of a ‘convergence of thought’ over time on how to understand the paradox of embedded agency as issues of social structures have come to play a more prominent role in the more agency-centred literature (see e.g. Bandura, 2001; Emirbayer and Mische, 1998), and vice versa (see e.g. Bruce and von Staden, 2017; Lounsbury, 2008; Weik, 2012). In fact, it has become more and more common for research to draw upon theories (such as structuration theory and other forms of practice theory) that claim to have overcome the structure-agency dualisms referred to above.

The GIAMER framework developed in the next section follows in the footsteps of this latter part of the literature through being grounded in what is referred to as a duality view of the relationship between social structures and human agency (Giddens, 1984). Such a view stresses first of all that social practices are always situated in the sense that they take place ‘here and now’ (Englund and Gerdin, 2016). This makes the circumstances of the situation important for understanding how particular structures are (re)interpreted and drawn upon in different ways across time and space.

Moreover, and in line with the general argument in the structure-centred literature, it is assumed that such practices are enabled and constrained by social structures—i.e. they are embedded. Importantly though, from a duality view, social structures do not have any existence of their own beyond the social practices through which they are (re)produced (Giddens, 1984; see also e.g. Emirbayer, 1997). On the contrary, they exist only virtually as they are (consciously or unconsciously) drawn upon as conditions for situated human agency (Giddens, 1984; Sewell, 1992). That is, although social structures prescribe appropriate social practices by, for example, defining agents, their roles, and their relationships with other agents (see e.g. Barley and Tolbert, 1997), these ‘prescribed practices’ do not work outside the agents, forcing them to behave in some pre-determined and deterministic way. On the contrary, the reproduction of social structures is a highly active accomplishment in which the structures are (re)interpreted within, and adapted to, the circumstances of the situation. In fact, the ability to adapt and extend such social structures to new situations—grounded in a form of knowledgeability of how to go on in social life—constitutes an important part of what it means to be an agent (Emirbayer and Mische, 1998; Giddens, 1984; Hitlin and Elder, 2007; Sewell, 1992).

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