



Accounting, decisions and promises

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ABSTRACT

One aim of this paper is to present a new version of the relationship between accounting and decision making going beyond the important but now classical answer, ammunition, learning and rationalisation machines. Another aim is to add to literature about the relationship between accounting and managerial work. This involves a temporal perspective. Decisions are endings which stop a process of decision making, but they are also promises which create new beginnings. The paper discusses the decision as a promise; while the decision produces a prediction, a promise produces a hope. The decision has contemplated all information, and the promise knows that the future is uncertain. Therefore, the promissory economy is not primarily concerned with solidifying a decision; it is more concerned with the extra investments and adjustments that continually have to be developed. The contribution of the paper is to show that to promise is to change commitments when the situation requires this. Therefore promises require forgetfulness and forgiveness: forgetfulness because learning is possible and forgiveness because others are impacted. The role of accounting under this condition is to enable promising. The study of decision making and promises moves from causality to effectuation and from solutions to generation of alternatives.

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1. Introduction

Over the years, *Accounting, Organizations and Society* has made the study of relationships between accounting and decision making a vibrant one. Clearly, various notions of accounting machinery, to borrow a term from Burchell, Clubb, Hopwood, Huges, and Nahapiet (1980) seminal paper, reflect that accounting is made to bear in many different situations. When decision making is considered as a rational procedure, accounting is understood as an answering machine calculating the economic consequences of various decision alternatives. When decision making is understood in less rational terms, accounting plays much more complex roles as learning, ammunition and rationalization machines. These roles often enact ambiguity, uncertainty, politics and complexity which require, as James March (e.g. 1991; 1997) has argued forcefully, modelling decision making in terms of limited rationality, power and non-consequentialist logics.

Yet, there is still controversy about rationality. Cabantous and colleagues were surprised to find that rational decision making does prevail (Cabantous, Gond, & Johnson-Cramer, 2010; Cabantous & Gond, 2011). People do try to formulate problems, they do try to find alternatives, and they do try to calculate and compute to arrive at a decision. This leads them to conclude that the paraphernalia of decision making makes people rational; they become framed into rationality and become economic agents by means of accounting as Michel Callon (1998) says.

However, Cabantous and colleagues focus on a (rational) procedure for making choices which focuses on the production of a decision. Yet, this contrasts with substantive rationality concerning the extent to which the decision proves to have desired effects in the future. According to James March, it is a myth that procedurally rational decisions are necessarily substantively rational. Procedurally rational decisions will have indeterminable effects, and substantively rational decision will have indeterminable processes. In the first case, the criterion of rationality is how the decision is reached; in the second case, the criterion is the consequences of a decision effectuated by the series of events that it sets in motion. This distinction makes it possible to separate the role of accounting in two different phases, one leading up to the decision and another starting from the decision and leading into the future. The aim of this essay is to explore the role of accounting in relation to the effects of decisions.

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The premise of this discussion is that decision making is important, but not only in the ordinary sense where it settles things by clarifying causalities and predetermining the future. Instead, decisions move things and set processes in motion that will lead to intended, unintended and surprising effects in the future. This future is an accomplishment which managers may influence in order to honour the original decision. The decision sets things and processes in motion, but rarely simply in the direction of a pre-determined future. In a sense, it harbours a *promise*. The procedurally rational decision can only be made if decision makers convince themselves and others that certain consequences will ensue in the future. But given that the future also produces surprises and unintended consequences, implicitly decision makers also commit themselves to fight for the promise, which will require efforts not yet knowable at the time of the decision. When the decision is understood as a promise it requires a commitment on the part of the decision maker to take part in an unfolding world of unanticipated consequences.

In exploring the relationship between accounting and *decision as promises*, this essay goes to strange places, to Nietzsche and Arendt, to strange mechanisms, such as forgetting and forgiving, and to the rather curious promissory economy. If accounting is a machine, it is a mechanical procedure that offer propositions about problems to be concerned with in the future. However, in this capacity, its role is important even if the decisions turn out to be unreliable. It may come to play a more powerful role as a means for promoting, exploring and potentially transforming the promise, i.e., to become part of the world as it unfolds after the decision.

To do this the essay considers the notion of promise and more generally the so-called promissory economy. The essay also discusses the role of accounting in solidifying/negotiating the promise and last ends up by suggesting an agenda for research on relations between accounting and decision making when promises play important roles.

2. The decision and the promise

The decision is the end of *one* process but starts *many* other processes. Some of these are not known at the time of decision making which may rely on an analytical decision model that has removed many so-called irrelevant aspects of the world from the decision situation. The model on which the decision is premised only takes certain things into consideration and does not claim to account for the entire world. Yet these removed aspects are often more relevant than hoped and they often hide crucial detail (Preston, 2006). When decision makers act on accounting they act on only a subset of things that could have been taken into account. Therefore decisions produce new problems and in turn new decisions. In effect, the decision is not an end; it turns into a promise to handle and manage new challenges arising from the decision. Such a promise importantly assumes that it is allowable to forget and ignore all the unknown and unknowable complications that the decision will meet in the future, simply because they will somehow be handled when they surface. The promise ignites animal spirits (Akerlof & Shiller, 2009; Keynes, 2008 [1936]) such as the ability and energy to act in the face of uncertainty and open horizons.

Great thinkers such as Friedrich Nietzsche (Nietzsche, 2007 [1887]) and Hanna Arendt (Arendt, 1988 [1958]) suggest that the promise signifies a greater question of how a person can make a decision whose effects depends on new knowledge arising from putting the decision into action and from things happening through others' efforts and engagements with the decision. It is possible to frame the decision as a promise, which, as Nietzsche and Arendt say but in different ways, is a commitment to *engage* with a world that is not yet seen; with a world which constantly surprises the actor

partly because the world will be interpreted anew and partly because it is impossible to predict which other agencies will turn up to influence the decision-maker's ability to fulfil the promise.

Both Nietzsche and Arendt understand the promise as something that requires someone to be in a position to make claims about the future. Promising requires identity (Townley, 2008). Following Nietzsche (2007 [1887], p. 36), decision makers must have the ability and the will to recall the promise in spite of dire straits. Since "strange new things, circumstances and even acts of will may be placed quite safely in between the original 'I will', 'I shall do' and the actual discharge of the will, its *act*, without breaking this long chain of the will" a decision maker has to construct "himself as *reliable, regular, necessary*, even in his own self-image, so that he, as someone making a promise is, is answerable for his own *future*!" The promise is an act of will. It is the will to offer oneself as a link between the present and the future; it is not merely to answer to others but also to oneself. The long chain of will requires the decision maker to act on the world with its twists and turns. Promising happens to the decision maker in a *dialectic of memory and forgetfulness* since the "long chain of will" requires fresh interpretations, adaptations, and re-evaluations; or as Nietzsche (2007 [1887], p. 51) says "[t]he whole history of a 'thing', an organ, a tradition can to this extent be a continuous chain of signs, continually revealing new interpretations and adaptations, the causes of which need not be connected even amongst themselves."

While the promise on the one hand requires memory so that actors can show themselves as reliable, regular and necessary, it also on the other hand requires forgetfulness because the world is or will be different from what memory would like it to become. Promising persons do not avoid the world but mobilises the will to risk themselves to new interpretations, evaluations and transformations. In "a world of strange new things, circumstances, even acts of will may be interposed without breaking this long chain of will" (Nietzsche, 2007 [1887], p. 36). In other words, the promise gains new properties over time. In such a situation responsibility "lies not in keeping one's word in the face of radically changed circumstances, but rather in a willingness to risk oneself ... by reinterpreting the promise to new ends, divorcing it from its original intention in a gesture of fidelity to an unknown future" (Brandes, 2010, p. 21). Keeping a promise is different from implementing the decision to the world. It rather implies a constant reinterpretation and renegotiation of its relationships with the reality as it evolves.

Hanna Arendt (1988 [1958]) account of the promise recognises those affected by the decision. To her, the promise impacts others since it is inserted into a web of relations. The decision maker makes promises whose consequences are not only for this person to bear but are also borne by others. The promising decision maker risks being held accountable to unanticipated and unfortunate effects on others and therefore needs their forgiveness. Arendt emphasizes that action is unpredictable and irreversible. Action is unpredictable because people "never can guarantee today who they will be tomorrow, and out of the impossibility of foretelling the consequences of an act within in community of equals where everybody has the same capacity to act ... [in] a world whose reality is guaranteed for each by the presence of all" (Arendt, 1988 [1958], p. 244). Action is irreversible because it is never possible in isolation and it is set off in a chain of reactions that can neither be predicted nor controlled. These frailties require forgiveness from others who are part of the chain of action that the promise gives rise to because they will (also) have to bear the burden.

As making promises under such circumstances imply a future betrayal of legitimate expectations, decisions are also unreliable. To enable decisions in the first place, it is necessary not only to forget the web of relations that the decision is spun into, and which makes its effects on others unpredictable and irreversible. It also requires

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