GLOBAL ISSUES IN MANAGEMENT
ACCOUNTING RESEARCH

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Plan

• Global Issues
• Comparative MAR: Frames of Reference
• Unresolved Issues
• Empirical Findings from Manufacturing and Service
• The Way Forward
# Global Issues

<table>
<thead>
<tr>
<th></th>
<th>17th to early 19th Century</th>
<th>19th to early 20th Century</th>
<th>Late 20th Century Onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source of Wealth:</strong></td>
<td>Land based: Agriculture</td>
<td>Machine/Finance based: Manufacturing</td>
<td>Finance/Knowledge based: Producer &amp; Consumer services</td>
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<tr>
<td><strong>Geography:</strong></td>
<td>Local/Regional</td>
<td>Regional/National</td>
<td>Regional/Global/Clusters</td>
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<tr>
<td><strong>Main Org’l Form:</strong></td>
<td>Feudal/Entrepreneurial</td>
<td>Managerial/hierarchical</td>
<td>Heterarchical/Alliance</td>
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<tr>
<td><strong>Moral Virtues:</strong></td>
<td>Obedience/External discipline/Enforced trust/Family</td>
<td>Hard work/Individualism/Social justice</td>
<td>Trust/Personal responsibility/Creativity/Sociability</td>
</tr>
</tbody>
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Adapted from Dunning (2003)
• Phases of Globalisation
• Digitisation
• Knowledge-based enterprises
• Sustainability
• Governance and Risk
• New organisations/New products/New customers
Perspectives on Comparison

• Logic of Industrialisation

– Notion of Functional imperatives
– ”Organization building has its logic which rests on the development of management” (Harbison and Myers, 1959)
– “Evidence is in the direction not of cultural diversity but of convergence – that the basic principles of management are universal” (Jamieson, 1983)
– “Logic” of globalisation?
• Structural Contingency
  – Converging influences at the organisational level
  – “Imperatives between contextual variables and structural elements take effect whatever the societal differences” (Hickson et al, 1974)
  – It is “far from a finished agenda” (Donaldson, 1995)
  – “Low context” vs. “High context”
Japan
Caribbean
Australia
Holland
France
Mexico
USA
• Cultural Contingency
  – Focus on mental programmes, filters and mindsets
  – Ideational vs. adaptive
  – Universal vs. contextual
  – “How can culture be used as an independent variable to explain a dependent variable when researchers do not even have a clear understanding of the independent variable itself? (Lim and Firhola, 2000)
  – _”Culture-bound studies are ethnocentric and mistakenly interpreted as universally applicable” (Lowe, 2001)
• Societal Effects
  – Permanent societal features influence organisational forms with culture having a “mediating influence” (Maurice, 1979)

• New Institutionalism
  – Focus on rules that condition the diffusion of organisational operating procedures
  – “Reflect not so much the needs of internal organisational management but instead external pressures on the organisation to appear efficient and responsive to apparent financial constraint” (Berry et al, 1985)
• Interactionism
  – Focus on the enactment of legitimate structures

• Explaining the Present
  – “The pattern of past action within a nation should draw attention to its contemporary cultural products which are likely to be relatively persistent in nature” (Child, 1981)
  – Need to “grasp the implicit systems which determine our own most familiar behaviour without knowing it” (Foucault, 1979)
UNRESOLVED ISSUES

• Malinoski’s Dilemma
• Galton’s Problem
• Structural Schizophrenia
• Paradigm Insularity vs. Epistemic Consciousness
Empirical Findings from Research

<table>
<thead>
<tr>
<th>Year of publication</th>
<th>Authors</th>
<th>Country</th>
<th>Adoption rates</th>
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<tr>
<td>1991</td>
<td>Innes and Mitchell</td>
<td>United Kingdom</td>
<td>6%</td>
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<tr>
<td>1992</td>
<td>Ask and Ax</td>
<td>Sweden</td>
<td>7.2%</td>
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<tr>
<td>1993</td>
<td>Armitage and Nicholson</td>
<td>Canada</td>
<td>14%</td>
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<tr>
<td>1994</td>
<td>Drury and Tayles</td>
<td>United Kingdom</td>
<td>13%</td>
</tr>
<tr>
<td>1995</td>
<td>Innes and Mitchell</td>
<td>United Kingdom</td>
<td>19.5%</td>
</tr>
<tr>
<td>1997</td>
<td>Bjornenak</td>
<td>Norway</td>
<td>40%</td>
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<tr>
<td>1997</td>
<td>Gosselin</td>
<td>Canada</td>
<td>30.4%</td>
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<tr>
<td>1998</td>
<td>Chenhall and Langfield-Smith</td>
<td>Australia</td>
<td>52%</td>
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<tr>
<td>1999</td>
<td>Clark et al.</td>
<td>Ireland</td>
<td>12%</td>
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<tr>
<td>2000</td>
<td>Innes et al.</td>
<td>United Kingdom</td>
<td>17.5%</td>
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<tr>
<td>2001</td>
<td>Tayles and Drury</td>
<td>United Kingdom</td>
<td>23%</td>
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<tr>
<td>2002</td>
<td>Bescos et al.</td>
<td>Canada and France</td>
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<tr>
<td>2003</td>
<td>Kiani and Sangeladjé</td>
<td>USA</td>
<td>52%</td>
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<tr>
<td>2004</td>
<td>Pierce and Brown</td>
<td>Ireland</td>
<td>27.9%</td>
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<tr>
<td>2005</td>
<td>Cohen et al.</td>
<td>Greece</td>
<td>40.9%</td>
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Global Organisations

• Busco et al (2006) aim to explore:
  – Use of financial and non-financial measurement and accountability systems
  – How PMS used to create and embed language of measurement in corporate culture
  – Skills required to meet heterogeneous information expectations of managers
  – Propose an “integrated governance scorecard”
Alliances

• Ho and Tao (2005) - Case study of Shanghai General Motors:
  – Focus on ”private-to-common” benefits as a determinant of cooperation-competition bias

• Dai (2009) – Case study of FAW-VW
  – Focus on institutionalism and political dynamics in explaining cost-quality focus shifts
Virtual Organisations

• Li and Fung observations:
  - Commoditization of information = “by reducing dependency on the human being as the bearer of knowledge and skill, it is possible to increase the flexibility of decision-making and control to unprecedented levels” (Mowshowitz, 1994, p281).
  - Standardization of interaction to enable ready coupling and decoupling of organisational linkages.
The Way Forward

- Meta-Macro-Micro
- Multiple Cultures
- Convergence enables divergence: What do we compare?
- Epistemic consciousness