



Emerging themes in management control: A review of recent literature

A.J. Berry^a, A.F. Coad^b, E.P. Harris^{c,*}, D.T. Otley^d, C. Stringer^e

^a Manchester Metropolitan University, Manchester, UK

^b University of Birmingham, Birmingham, UK

^c De Montfort University, Leicester, UK

^d Lancaster University, Lancaster, UK

^e University of Otago, Otago, New Zealand

ARTICLE INFO

Article history:

Received 24 June 2008

Received in revised form

24 September 2008

Accepted 25 September 2008

Keywords:

Management control

Strategic control

Decision making

Performance management

Organisation

Culture

Control

Risk management

ABSTRACT

This review starts from the lines of enquiry suggested by Otley et al. [Otley, D.T., Broadbent, J.M., Berry, A.J., 1995. Research in management control: an overview of its development. *British Journal of Management* 6, S31–S34] and develops these themes in the light of more recently published research. Hence this review is structured around the following emerging themes; Decision making for Strategic Control; Performance Management for Strategic Control; Control Models for Performance Management and Measurement; Management Control and New Forms of Organisation; Control and Risk; Culture and Control; and Practice and Theory.

Whilst research has been evident in all of these areas, relatively little attention has been paid to information and communication technologies and its impact upon control system design and capability, nor did we find much literature on control and gender, or on control and sustainability. Further there has been relatively little research on control and risk or upon control and culture. The limitations of overarching frameworks are noted and we conclude that it seems essential to place more emphasis on research which attends to the relationship of control practices and theory which will require more embedded and collaborative research processes.

© 2008 Elsevier Ltd. All rights reserved.

1. Introduction

This review of the emerging themes in management control builds on earlier reviews, such as Hofstede, 1978; Giglioni and Bedeian, 1974; Merchant and Simons, 1986; Parker, 1986; Macintosh, 1994; and Otley et al., 1995. Giglioni and Bedeian reviewed the contribution of the general management and organisational theory literature for the period 1900–1972. Parker argued that accounting control developments lagged developments in the management literature and criticised accounting models of control for offering only imperfect reflections of management models of control. Hofstede provided an early survey of the behavioural approach to budgetary control, later also noting (1978) “the poverty of (the then) management control philosophy” while Merchant and Simons took a broader view of management control, giving attention to agency theory and psychology. Simons (1994, 1995) later contributed to the study of the strategic aspects of control. Macintosh organised his review around the methodological approaches of the researchers. Whilst appreciating the content of the earlier reviews, we will structure this review around the themes developed by Otley et al. (1995).

* Corresponding author.

E-mail address: eharris@dmu.ac.uk (E.P. Harris).

Otley et al. (1995) argued that one of the unintended consequences of Anthony's seminal work (Anthony, 1965) was that management control research developed in an accounting-based framework. They noted that radical theorists had given attention to the importance of wider issues of power in a society being expressed or replicated in management control and management controls. Otley et al. also reviewed a series of definitions of management control (Anthony, 1965; Lowe, 1971; Machin, 1983), showing how they were broadening from Anthony's base. Otley et al. (1995) organised their review of management control research using Scott's typology of open and closed systems (Scott, 1981) mapped against rational and natural models of systems. These authors did not claim that such a mapping was complete or the four domains were always mutually exclusive. They noted that while a functionalist stance had been severely criticised (Burrell and Morgan, 1979) it was still a very common approach to management control research and practice. Further they suggested that the advent of powerful computers and high-speed software might have a considerable impact on control practice. Also it was observed that accounting was still an important element of management control, as it offered the possibility of integrating all aspects of an organisation's work into an over-arching economic calculus.

Otley et al. (1995) suggested "some lines of enquiry" that might prove to be fruitful. These were:

- (a) The environment of control especially the change in organisational structures from large hierarchies to smaller and more focused units. This introduces a 'horizontal' element into control structures in relation to e.g. supply chains and the embedded firm
- (b) The change from a focus on business planning to a wider focus on business strategy and strategic control processes. This includes the appearance of strategic information systems such as the then embryonic balanced scorecard (Kaplan and Norton, 1992)
- (c) The impact of globalisation in introducing greater complexity, uncertainty and risk
- (d) The methodological basis of management control research; to develop constructivist and critical research studies
- (e) Control in multinational organisations in relation to the impact of organisational and national cultures
- (f) Ecological sustainability
- (g) Control and gender

The production of scholarly reviews, as a valuable addition to the growth of published research, has become more common. The British Academy of Management publishes a journal of these while in a field closely associated with management control there has been the recent publication of two volumes of scholarly reviews of aspects of research on management accounting (Chapman et al., 2007). In these volumes, Chenhall (2007) has reviewed the theorising of contingencies in management control research, eight authors have reviewed research methods, Dechow et al. (2007) have reviewed the relationships between management accounting and information technology in the context of management control of complex organisations, and Langfield-Smith (2007) has considered quantitative research in management control systems. Control and accountability was examined by Merchant and Otley (2007); Abernethy et al. (2007) took a wide ranging look at accounting and control in health care, and Edenburg and Krishnan (2007) reviewed management accounting and control in health care from an economic perspective.

In structuring this review it was tempting to follow the methodological organisation of Macintosh (1994) to examine whether management control literature had developed in different ontological and epistemological ways. It was also tempting to follow the use by Otley et al. of Scott's typology. However, in the light of the previous reviews we chose to take a thematic approach, using the themes which Otley et al. had noted, in order to examine how management control literature had developed in the ensuing decade.

The emerging themes discussed in the following sections include: decision making for strategic control, performance management for strategic control, control models for performance measurement and management, management control and new forms of organisation, control and risk, culture and information technology. This is followed by a discussion of methodological issues in relation to the relationship between practice and theory, discussion, and conclusion.

2. Decision making for strategic control

Recent research includes a number of case studies that have examined the making of investment decisions within and across firms in the context of various industry sectors and project types. Haka (2007) lists 6 from 1996 to 2004 (Carr and Tomkins, 1996; Shank, 1996; Miller and O'Leary, 1997; Lee, 2001; Guilding, 2003; O'Connor et al., 2004). Two of these (Lee, 2001 and O'Connor et al., 2004) involved state-owned enterprises in China. Carr and Tomkins (1996) reported an increase in the use of strategic analysis across 51 cases in the motor components industry. Miller and O'Leary (1997) reported a longitudinal case study which examined how the capital budgeting process changed over time, to a more co-ordinated approach with projects grouped into bundles, which may be viewed as a more strategic control.

Langfield-Smith (2005) commented on the limited amount of research on the strategic impact of investment decisions, but highlighted two case-based studies (Miller and O'Leary, 1997; Slagmulder, 1997). Slagmulder (1997) used a grounded theory approach to observe how management control systems changed to adapt to strategic change, by introducing new controls or by changing the degree of formalisation of controls, the tightness of controls, or the locus of decision-making. Also in 1997,

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات