



Management control and performance management: whence and whither?[☆]

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Abstract

This paper is a personal account of the author's involvement with management control research over the past 35 years. The development of management control as a research area is briefly reviewed, culminating with its transition into performance management. However, the basic issues involved have remained remarkably unchanged over this period, as is illustrated by a number of anecdotes and examples. Some suggestions are made concerning potential topics for future research, together with some final comments on appropriate research methods.

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1. Introduction

It is a great honour to be awarded the title of the British Accounting Association's Distinguished Academic for 2002, even if the price to pay is the address that I am giving today. I am particularly pleased that the award is that of the BAA because I believe that the Association has played a central role in developing the academic discipline of accounting in the UK over the past decades, and has helped us develop a unique tradition of research that has been closely connected to practice. I would therefore like to begin by paying tribute to the BAA and to its officers who have worked steadfastly, albeit often invisibly, to move the academic accounting profession forward. During the past year I

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too have worked on fulfilling the role of being ‘distinguished’, helped considerably by my greying temples!

Even so, it came as somewhat of a shock to realize that I have been interested and involved in the field that can broadly be described as management control for a period of over 35 years. I therefore thought that I would take this opportunity of reviewing some of the developments that have occurred over that period, as my involvement dates from only shortly after the term was defined, in its current sense, by Anthony (1965). I will do this firstly by sharing some formative personal experiences from my early career; then I will briefly review the role of the Management Control Association in developing the subject; and finally come up to date by considering some current issues and directions that are a personal view of where the field might usefully progress in the future.

2. Some early experiences

I never intended to become either an academic or an accountant, let alone an academic accountant. Rather my move into an academic career was a result of a set of happy accidents that make more sense when post-rationalized than they appeared to do at the time. I was fortunate enough to have a good grammar school education and exposure to a wonderful mathematics teacher who encouraged a strong ‘problem-solving’ approach to the subject. At university I continued in the same mould by studying theoretical physics, which I generally enjoyed but often found challenging. As I entered my third year, it slowly became apparent to me that there were no obvious career prospects for a second rate theoretical physicist, and I was gently guided by the careers service into a job with the Operational Research Executive of the (then) National Coal Board.

This turned out to be an interesting and challenging job which applied mathematical and computer modeling techniques to help improve real operational and managerial situations. These were the days of mainframe computers, paper tape becoming outmoded by the introduction of punched cards, and manual calculations being performed on mechanical calculators. It also introduced me to the realm of real managerial decisions in a tough, no-nonsense industry. My own role became that of a general OR consultant, based much of my time in a coal-mining area of Scotland. I will describe two projects with which I was involved, both of which set the stage for my future interest in management control.

2.1. Coal mine production

The first project involved constructing a computer model of the coal production of a coal mine. This was less difficult than it might seem at first sight, because a computer model simulating a single coal face had already been developed. Given the increase in computer capabilities, it had now become feasible to aggregate the results of several such models, incorporating a simulation of the underground transport system of a coal mine. The programming was relatively straightforward, and an overall computer model was quickly produced. The final stage was to validate the model against some real data of coal

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