



A note on work-related values, budget emphasis and managers' organisational commitment

Nava Subramaniam* , Lokman Mia

*School of Accounting and Finance, Griffith University Gold Coast, PMB 50,
Gold Coast Mail Centre, Southport, Qld. 9726, Australia*

Received 12 February 2003; accepted 23 July 2003

Abstract

Managers' work-related values (WRVs) have important implications for designing appropriate management accounting systems (MAS) in organisations. This paper examines the effect of the interaction between managers' WRV for innovation and budget emphasis (an integral part of MAS) on their organisational commitment. The sample consisted of 109 managers from production, marketing and support departments within Australian manufacturing firms. Hypotheses were tested using both quantitative and qualitative data collected by a questionnaire survey and post-survey interviews. The results indicate that the adoption of low budget emphasis led to high organisational commitment when managers' WRV for innovation was high, but not when managers' WRV for innovation was low. The results also indicate that marketing managers held higher WRV for innovation than production managers. The post-survey interviews provide further insight into how a more customer- and competitor-focused subculture of marketing managers and a more technical- and efficiency-focused subculture of production managers may promote the difference in their WRV for innovation, and affect their attitudes towards budget emphasis. The findings of the study have implications for design of performance evaluation systems for managers in functionally differentiated organisations.

© 2003 Elsevier Ltd. All rights reserved.

Keywords: Work-related value; Budget emphasis; Innovation; Organisational commitment

1. Introduction

The concept of values has been central to organisational research for decades (Blood, 1969; Connor and Becker, 1975; Schein, 1985), and in recent years, the growing interest in the area continues to reflect its importance for understanding managerial behaviour in organisations (Hofstede, 1991; Connor and Lake, 1994; Dose, 1997). Values are essentially attributes of individuals which reflect their preferences

* Corresponding author. Tel.: +61-7-5552-8769; fax: +61-7-5552-8068.

E-mail addresses: N.Subramaniam@griffith.edu.au (N. Subramaniam), L.Mia@griffith.edu.au (L. Mia).

for particular states of affairs over others (Rokeach, 1973). From an organisational context, individuals' values relating to aspects of their work are considered to have a significant influence on their attitudes, decisions and behaviour at work (Connor and Becker, 1994; Dose, 1997). An individual's work-related values (WRVs) have been found to be shaped by the various shared value systems within an organisation including both organisational and departmental-level subcultures (Meyerson and Martin, 1987). The burgeoning literature on organisational culture and strategic management clearly suggests that the congruence between individuals' WRV, and an entity's strategic goals and organisational design are vital for enhancing performance (Connor and Lake, 1994).

In this study, we focus on managers' WRV for innovation.¹ Innovation is a key strategic attribute of organisations and has the potential to create competitive advantage. The more rapid the competition in markets and change in technology, the greater is the need for innovation within organisations. While organisations tend to cultivate differing levels of innovation based upon their business strategy, prior studies indicate that organisational structure and processes need to be aligned with the level of innovative organisational culture (Kimberley, 1981; Subramaniam and Ashkanasy, 2001). Russell and Russell (1992) contend that as organisations promote more innovative values, employees prefer more organic structures and participative management processes. Likewise, Goddard (1997), O'Connor (1995), Dent (1991) and Flamholtz (1983) have shown significant associations between managers' WRV and their attitudes towards management accounting systems (MAS). However, research efforts in this area have not addressed the use of accounting-focused or budget-based performance evaluation style in firms that promote an innovative culture and its implications for managerial job-related outcomes. Over the last two decades, the reliance on accounting-focused performance measures in managers' performance evaluation style (otherwise referred as budget emphasis) has attracted significant research. The findings indicate that high emphasis on budgetary performance may not always be beneficial (Hartmann, 2000) and that such a performance evaluation style has implications for managerial job-related outcomes such as job stress, dysfunctional behaviour and performance.² Otley (1980), Govindarajan and Gupta (1985), Brownell (1985) and Lau et al. (1995) found that contextual factors such as characteristics of environment, culture, task and budget emphasis have a significant impact on managerial job-related attitudes and outcome. However, no study to date has examined the joint effect of managers' WRV for innovation and budget emphasis on their job-related outcomes. Further inquiry in this area is warranted because such evidence is useful for developing more relevant and efficient accounting-based control systems in organisations. In addition, the importance of WRV has been recognised in the relevant literature. Otley (1978, p. 145), for instance, argues that further work in the area of performance evaluation systems must pay attention to "the cultural norms and values that underpin the operation of control systems". Merchant (1984) and Moores and Booth (1994) similarly contend that, when it is recognised that MAS are part of an organisation's control system, it becomes important to consider the consistency between the MAS and the broader system of values and beliefs within the organisation. This is because such a system of values and beliefs is seen to provide meaning to the way individuals relate to their organisation.

The objective of this paper is two-fold. First, we examine the impact that managers' WRV for innovation has on the relationship between budget emphasis in managers' performance evaluation and their

¹ While the term 'values' may be viewed to be an individual level construct, the current study focuses on managers' work-related values (WRV) as shaped by the functional-level value systems, i.e. subcultures at the functional unit-level (Martin and Meyerson, 1988; Schein, 1985) within an organisation.

² Hartmann (2000) provides a comprehensive review of research development in the area. The terms 'reliance on accounting-based measures (RAPM) and budget emphasis' has been used interchangeably by many of the studies in this research strand.

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