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ABSTRACT

This paper is structured in two parts. In the first part we undertake a brief discussion on the concept of power and we explore the way this concept has been regarded in several strands of literature on management accounting – the conventional, the contingency, the pluralist, the interpretive, the critical and the post-structuralist. Some of these strands – for instance, the pluralist, the critical and the post-structuralist – explicitly recognise the importance of (some conception of) power in their approach to management accounting in society and organisations. Other approaches are less explicit in that recognition or simply overlook/reject it.

The second part of the paper takes sides, departing from the idea that *there is* a relationship between management accounting and power and proposes a framework for conceptualising that relationship. This framework attempts to bring together different dimensions/conceptions of power, and is proposed as a way to study management accounting and its change within organisations.

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1. Introduction

This paper is structured in two parts. In the first part we undertake a brief discussion on the concept of power and we explore the way this concept has been regarded in several strands of literature on management accounting – the conventional, the contingency, the pluralist, the interpretive, the critical and the post-structuralist. Some of these strands – for instance, the pluralist, the critical and the post-structuralist – explicitly recognise the importance of (some conception of) power in their approach to management accounting in society and organisations. Other approaches, however, are less explicit in that recognition or simply overlook/reject it.

The second part of the paper takes sides, departing from the idea that *there is* a relationship between management accounting and power and proposes a framework for conceptualising that relationship. This framework attempts to bring together different dimensions/conceptions of power, and is proposed as a way to study management accounting and its change in organisations.

2. Power and management accounting: a brief digression through the literature

2.1. Conventional, contingency and pluralist approaches

The tone of *conventional approaches* to management accounting is normative: the scope of management accounting is often limited to decision-making situations with well-defined variables, assumptions, constraints and objectives. Neo-classical views of the firm and of human behaviour are more or less explicitly adopted (Scapens and Arnold, 1986; Scapens, 1991; Ryan *et al.*, 2002). No consideration is given to the organisational context in which management accounting operates. Well-defined and consensual organisational and sectional objectives, as well as the rational behaviour of organisations and organisational agents, are assumed. The possibility of conflict or clashes of interests is not considered. Also overlooked is the possibility that organisational objectives and behaviour are subsumed by asymmetrical power distributions. To a great extent, this view of management accounting is based on the mechanistic metaphor of organisations (Morgan, 1986).

The emergence, in the 1960's and 1970's, of behavioural aspects and the open social systems approach – the latter culminating in *contingency theory* – introduced a less mechanistic and a more organicist perspective of organisations (see Chenhall, 2003, for a review of contingency approaches). The key insight is that different organisational configurations and processes are appropriate in different contexts. Organisations are systems with parts that must be coordinated in order to attain systemic goals. Such systems are subject to pressures from human, structural and environmental variables. Different organisational forms and mechanisms of coordination, including management accounting systems, may be appropriate in different conditions.

The possibility of conflicting interests is, at least implicitly, accepted, and control issues are emphasised, in contrast to conventional research which focused more on issues of decision-making (Scapens, 1991; Ryan *et al.*, 2002). This insight of contingency theory, that management accounting may be a mechanism of control over potential intra-organisational conflicts, is useful. However, contingency theory is functionalist in its essence. Organisations are seen as entities that respond to environmental pressures or other variables in a predictable fashion, given their search for efficiency and/or survival. Somehow, 'triggers' are pulled to counter or reconcile sectional interests, given the natural character of the objectives that the system seeks. Structural arrangements emerge in a relatively automatic manner given those objectives and in response to movements in the relevant independent variables. Management accounting systems may be one of the control mechanisms at stake here.

Hence, contingency theory neglects situations in which conflict emerges, and the processes and/or manner through which management accounting may resolve potential conflicts of interests in specific decision-making situations. This issue has been addressed by *pluralist studies*, which emerged as a result of the evidence that struggles and negotiations around organisational objectives and procedures are common in organisational life. Contrary to the previous systemic framework, in which possible sectional interests are seen as superseded because of wider pressures, pluralist studies focused on the processes of bargaining and negotiation through which those interests are reconciled and courses of action defined (Hopper and Powell, 1985). Hence, pluralists avoid the assumption that consensus will somehow emerge in conformity to wider systemic pressures. Space is allowed for the possibility that the decisions taken and then implemented, and the objectives sought, can come to deviate from the supposed 'optimal' ones.

Pluralist studies brought attention to issues of power and politics in which overt conflict of interests arises. Management accounting systems and techniques are devised as tools or resources deployed in situations of a clash of interests. However, the emphasis is on visible episodes of decision-making. Power is equated with those who are capable of advancing their own interests in those episodes. No consideration is given in pluralist studies to the less visible dimensions of power: for instance, how the rules underlying interactions and the material conditions of the social setting are decisive in shaping powers at an episodic level. A consequence is that pluralist studies implicitly assume that power *may be* absent from organisational life. In Humean fashion, power is regarded by pluralists as absent if it is not exercised in visible episodes in which different interests are manifested and decisions emerge⁹. In modern political science, such a perspective is present in work of behaviouralists such as Dahl (1957; 1961).

At this point, a common trait of the approaches outlined in this section comes to the fore. That is the suggestion that power is absent outside episodes in which interests are observably confronted. This common assumption then frames specific conclusions about the relationship of management accounting with the phenomenon of power. This relationship is absent from conventional perspectives, since conflict is not considered under a framework of neoclassical economic assumptions. For contingency theory, management accounting is envisaged as a counter-force to potential (illegitimate) situations of conflict and power; but management accounting is not equated with power since the objectives of, and forces faced by, the system-organisation are seen as functional ones (and not in themselves manifestations of power). Pluralist perspectives, in turn, recognise that management accounting may be involved in conflicts, as a tool or resource deployed by parties to such conflicts, but its relationship with power ceases when conflicts are no longer observed.

However, it may be argued that even in situations of apparent consensus, power is present. Indeed, such situations can be seen as an important manifestation of the phenomenon of power. This is related to an insight that has long been pointed out in the sociology of power (see, for instance, Barnes, 1988): to have power is not only to recurrently ‘win’ in situations of confrontation of interests, but also to take advantage of others’ acceptance of one’s authority and the legitimacy of one’s interests. By studying situations in which effects of power are produced, one is – in Barnes’ (1988) argument – escaping the key question of what constitutes

⁹ (...) the distinction, which we often make betwixt *power* and the *exercise* of it, is (...) without foundation (Hume, 1969: 222).

power. That is, what constructs a powerful actor, capable of recurrently producing (whatever kind of) effects?

At stake here is a movement towards a more dispositional view of power, as a capacity or disposition to produce effects that exists *even if not exercised*. Hence, to draw upon a classical example, the power of a policeman *to* direct the traffic is possessed by him even when he is not doing so. Behaviouralists like Dahl (1957; 1961) would be content with the conclusion that the policeman has power *because* he can command drivers. But what fixes the policeman's power? Is this power something intrinsic to him?

The acceptance of a dispositional conception of power marks a twist in emphasis towards how powers are structured or fixed in a specific social system; i.e., what constitutes actors as capable of achieving outcomes in social relations. Ball (1976: 206-207) suggests that the lineage of research on power derived from metaphors of causality focuses on the search for law-like explanations of power. For instance, in Dahl's (1957; 1961) account, the policeman's recurrent success in producing effects – that is, to direct the traffic at crossroads – is seen in event causation terms. The signals he communicates are followed by responses by drivers, and hence the policeman is the source of power. However, as Ball (1976: 207) puts it:

(...) what sort of laws are available as warranting generalizations for power explanations? (...) there *is* an observable regularity or constancy of conjunction between police-signalling behaviours and motorist-responding behaviours. But the regularity is *not* statable in Humean terms. For what we observe in the signalling-obeying relationship is not the instantiation of a universal law of human behaviour, but evidence that a *rule* is being applied and widely obeyed (emphasis in original).

This statement raises two issues. Firstly, in Humean empiricist terms, the emphasis is on observable regularities or patterns of correlation between causes and effects. Hence, a policeman may be said to have power inasmuch as he is capable of producing effects on drivers. The concern is with surface correlations rather than with what underlies these. Therefore, in Humean terms, a law would state that an acid has the power to dissolve an object because observations lead to that conclusion. The identification of such a capacity is derived from recurrent observation of an effect.

However, the power of the acid to do so may be explained by its (and the object's) intrinsic chemical constitution. Here, the explanation will be couched less on surface observations, and more on the intrinsic natures that explain the causal powers of the acid to dissolve the object (or of the car engine to move the car, to come back to a previous example). At stake here is a realist conception in the natural sciences (Harré and Madden, 1975) as opposed to an empiricist positivistic one. Entities have powers that will eventuate under specific standing conditions.

A second issue raised by the above statement is the difference between the natural world and the social world. Realism has been applied to the social sciences (e.g. Bhaskar, 1975), and specifically to the study of power (Ball, 1976; Benton, 1981). The key contention here is that human beings (like policemen) have intrinsic powers to produce specific effects in specific conditions, in a manner similar to an acid or an engine. However, there are obvious and crucial differences. These powers are not covered by laws, but rather are fixed in and through *rules* that are enacted by individuals who participate in social relations.

Individuals in a social system possess knowledge of rules that are commonly accepted in that social system and enact them possibly in recurrent fashion. Hence, the power of a policeman in an intersection lies on the position of the policeman in a society in which there is widespread knowledge of what the policeman is, of what his signals mean, and of what constitutes an appropriate behaviour at an intersection. These are rules of meaning. They allow drivers to make sense of situations to which they are confronted, and to respond in knowledgeable fashion. In a sense, rules are linked to the concept of *role* (as suggested by symbolic interactionists, e.g. Turner, 1962). Drivers also interpret the role of the policeman in societies as that of orienting the traffic.

2.2. Interpretive approaches: power in rules and institutions

The thrust of interpretive studies is to understand the meanings and/or rules that individuals engaged in social interaction use to make sense of the situations they confront and to construct the world around them. Reality under interpretive principles is *socially constructed* (Berger and Luckman, 1966). That is, reality is a human construction created in social interaction. What appears to individuals as an 'objective' world results from the emergence of widely shared understandings that may in some situations acquire the status of facts. Interpretive principles have permeated the field of management accounting (classical

references include Burchell *et al.*, 1980; Boland and Pondy, 1983; Tomkins and Groves, 1983; Preston, 1986; see also Chua, 1988, for a critical review).

Recently a group of authors, inspired by so-called 'Old Institutional Economics' (OIE) insights, have adopted interpretive assumptions while explicitly considering the concept of power (e.g. Burns and Scapens, 2000; Burns, 2000). These researchers suggest that institutionalised rules constitute an important dimension of the phenomenon of power. This implies the recognition that the power of actors is constrained or enhanced by prevailing rules framing social relations. This is so since these rules are fundamental in shaping motivations and behaviours of actors in a social system. The power of an actor to achieve desired outcomes across time and space will thus accrue from the 'appropriateness' of institutionalised rules in allowing for those outcomes.

The issue in OIE writings is what fixes situations of recurrent following of rules. In OIE writings in management accounting, situations of social stability are created because some rules are taken-for-granted and routinely enacted (see Ribeiro and Scapens, 2005). One important issue is introduced here: will all the members of a social system be knowledgeable, in all times and spaces, of the rules that they should apply in all situations? One problem is that rules are not totally fixed and free from ambiguity. Individuals, members of a social system, are constantly engaged in attempts to give meaning to situations and others – as ethnomethodologists such as Garfinkel (1967) have noted. Problems of interpretation and of indexicality of meaning are always inherent in such processes.

Also, it may be hypothesised that – in a more extreme situation – an individual may simply not know the rules. A foreign driver may have difficulties in understanding the role and rules signalled by a policeman. Probably, this driver will orient himself towards others, by attempting to interpret which rules are followed by other drivers at that intersection. The foreign driver will be conducting membership work (Munro, 1999). But in many social situations (for instance, in organisational life), clear-cut 'rules of meaning and membership' may be unavailable and hence full conformity is never guaranteed.

What leads drivers to follow rules possibly by orienting themselves to others, and to accept that the role of the policeman confers certain powers to him? As Barnes (see above) puts it, what leads drivers to 'cease to exercise discretion over many of the actions of their own bodies', and to comply with a situation in which 'a few [individuals] acquire effective

discretion over those actions'? Parsons' (1937; 1967) answer to this is a famous but widely criticised one: norms are internalised in socialised individuals. This counters tendencies to egoism and non-social behaviour. In other words, Parsons assumes a contrast between calculative action by naturally self-interested and divisive individuals and the social norms that, being internalised in individual minds, lead to social order; i.e., a normative order. Calculative order is seen as an impossibility. Barnes (1988: 33) colourfully describes Parsons' view:

Enter baby; and the rush is on to get him socialized before he is big enough and strong enough to embark upon a career of pillage, rapine and murder. Unfortunate egoistic tendencies have to be subordinated to social rules and standards.

The view of OIE writers is not too far from this 'internalisation' view. Routines become institutionalised as 'the way things are done' in people's minds. Such strong rules become associated with everyday actions in relatively automatic fashion.

But social stabilities may also be seen as resulting from calculative action. Rules routinely enacted in interactions in a social system across time and space may be so enacted because actors see no better alternative in their daily going concerns and interactions. Hence, a driver at a crossroad is likely to interpret the role of the policeman and the rules underlying his signals, and to enact them in rather unconscious fashion as desirable ones. However, it is always possible to imagine that a specific driver may engage in a calculation on the desirability to follow the rules in a specific context (e.g. when he is in a rush and the policeman tells him to stop). That he stops in such situations may not be due to the 'blind' following of rules, but due to his calculation that, given the field of social relations in which he is immersed, compliance is the best course of action. Hence, besides looking at rules and routines that are recurrently followed in a social system, one may also have to look at what disciplines the following of those rules: how are drivers produced as 'good drivers' across multiple situations, in that their interests are aligned to the rules of good driving.

In short, there is no inherent inconsistency or mutual exclusivity between calculation of desired outcomes in everyday social relations and the routine enactment of rules and the production of social stabilities. Such an enactment may be seen – sometimes in rather automatic fashion, sometimes less so – as the best way to make sense of situations and others and as the best way to act. Social stabilities and constitution of strong dispositional powers

may result from multiple calculative actions bound by rules that people may articulate and choose to enact as the best way to go on with their daily interactions while being sanctioned by others, an effect that may be facilitated by technologies of power.

2.3. Critical approaches

Critical approaches have observed that management accounting systems and techniques may be involved in the reproduction of power structures that advantage some groups as against others. Here, we use the term ‘critical’ to broadly identify those studies whose assumptions can be seen as derived – even if in indirect manner – from the work of Karl Marx and historical materialism. A key trait of such approaches is that organisations, their systems and procedures reflect and also reproduce the societal structures operating at a given time. Hence, management accounting systems and techniques can and should be understood in relation to their historical and societal context. Typically, such systems and techniques are theorised in terms of predominant relations of production – specifically the capitalist ones in modern times.

This is the basic theoretical assumption, for instance, of labour process theorists in management accounting. Inspired mostly by the work of Braverman (1974), such theorists emphasise the roles of management accounting techniques, such as standard costing or return on investment, in reproducing relations of production that lead to the appropriation of surplus value from labour by the capitalist class (classical work includes Burawoy, 1979; Edwards, 1979; Johnson, 1980; Hopper *et al.*, 1986; Hopper and Armstrong, 1991). Rather than some ‘negotiated order’, organisational order is thus seen – from the labour process perspective – as a ‘domination order’ in which devices such as management accounting are deployed to protect the vested interests of capital or its representatives.

However, the conceptualisation of power implied in critical approaches has been the aim of a fundamental criticism: the identification of interests with individuals and groups is made on a structuralist basis, usually that of ‘class’. Class interests are typically defined by economic criteria. Organisations are seen as sites of struggle in which these interests are fought over. Therefore, management accounting systems are seen as involved in conflicts between classes with ‘objective’ interests, defined by the economic relations in a given society. The capability of organisational actors to assume interests and to deploy strategies other than those defined by their belonging to a specific class is severely limited. In this sense, management accounting systems and techniques are seen in rather rigid terms as mechanisms that reflect

underlying structures and fixed power relations, rather than devices potentially involved in everyday attempts to produce and reproduce those structures and relations.

2.4. Post-structuralist approaches

The suggestion in critical studies that management accounting systems may be involved in the creation and reproduction of situations of material asymmetry and domination is an important one. Also important is the insight that these systems should be understood in terms of the wider context in which they operate. However, critical studies conceptualise this context in terms of the fixed structures that define (objective) interests of organisational members along a criterion of class. Relatedly, those studies suggest a rigid conceptualisation of the roles that systems such as management accounting occupy in organisations. Management accounting is involved in the promotion of the interests of determinate classes in organisations which are seen as sites of class struggle. However, those roles may be conceptualised in a more dynamic and less rigid way.

Namely, it may be considered that other factors (apart from economic ones) may be relevant in specific situations; in constituting actors, the interests they seek, the rules they follow and the relations they establish. Management accounting may well be involved in processes leading to the production and reproduction of situations of domination, possibly quite material ones. However, the constitution of actors implicated in those processes and the roles of management accounting in them may be regarded in a non-structurally defined way. That is, rather than serving specific classes with 'objective and real' interests, management accounting may be implied in the very attempts to enrol actors to specific representations of the interests they should seek. Structures of power may thus be problematised and accounted for in their construction and reproduction in specific contexts, rather than defined *a priori* through some 'prime criterion' such as economic determination.

Post-structuralist research drawing on the work of Foucault constitutes an example of such an approach. Foucault (1982; 1984) calls for a conceptualisation of power in which the concern is with understanding how power constitutes and normalises the subject. Modern forms of organisations (together with prisons, hospitals, schools and other institutions) may thus be envisaged as privileged sites in which the 'capillary power' that Foucault highlights is expressed and exerts its effects.

Foucault's insights have been well represented in management accounting research. The nature and historical evolution of management accounting techniques have been associated with their ability to constitute an inscribing device in the building of 'governable persons' in specific organisations (Hoskin and Macve, 1994; Loft, 1994; Miller and O'Leary, 1987).

Furthermore, a considerable body of research inspired (not always explicitly) by post-structuralist insights has also emerged, drawing on the 'Sociology of Translation' or 'Actor-Network Theory' (ANT, see Preston *et al.*, 1992; Chua, 1995; Lowe, 2001; Quattrone and Hopper, *on press*). In a sense, the set of concepts proposed by this body of research has allowed for the operationalisation, in specific 'micro' settings, of the more descriptive and dynamic conceptualisation of the workings of power. That is, a 'machievellian' conception (Clegg, 1989), of accounting for the multiple strategies and events that lead to the production of specific power configurations.

Indeed, ANT authors have conceptualised management accounting as a device capable of securing alignments between representations of the world across time and space. Management accounting may be centrally involved in the framing of strategies of enrolment conducted by strategic minded agencies. That is, in attempts to produce new configurations of power relations, and also in fixing and reproducing such configurations, by its ability to create centres of calculation or discretion, thus intervening in everyday interpretations, social relations and practices (e.g. various articles in Munro and Mouritsen, 1996; Munro, 1999). Based in these insights, the next section explores possible roles of management accounting in organisations.

3. A framework to the study of management accounting in organisations

From the previous discussion emerges a view of management accounting as involved in producing and reproducing configurations of the relations of power in organisations. Such a role is relevant even when no observable conflict occurs, and hence the present conception moves away from conventional, systemic and pluralist perspectives on management accounting and power. Like interpretive/OIE studies, we contend that the fixing of dispositional powers is centrally conducted in and through rules that may be carried by management accounting systems. However, we also contend that management accounting may constitute a technology of discipline and production involved in the fixing of, and not only in

carrying and suggesting, rules that are enacted in everyday interpretations, social relations and practices.

This does not mean an acceptance of an alleged universal role of management accounting systems as involved in the promotion of the structurally fixed interests of some groups (classes) as against the (real) interests of other groups. Rather, along with post-structuralists we contend that management accounting is potentially involved in movements and strategies conducted by strategic-minded actors, in attempts to enact their preferred representations in organisations. A central aim of these actors is precisely *the very shaping* of the interests of those potentially enrolled. Hence, rather than assuming that management accounting is a technology that reflects existing structures, the present framework is more interested in describing how, in specific situations, such structures – seen in more flexible terms as (always contingent and potentially shifting) configurations of relations power – are produced, stabilised and overthrown.

3.1. Management accounting as a carrier of rules

Management accounting can be envisaged as a carrier of rules that may or may not become obligatory in specific organisations. That is, such rules can become institutionalised and become the prevailing basis for interactions and practices. A management accounting system like a budgeting or performance evaluation system points to rules of orientation to financial results. Hence, organisational actors may give meaning to situations in terms of financial figures – for example, they may assess the operational decisions they are faced with in terms of their impact on budget variances or some performance indicator. Interactions with other actors may also be rooted in management accounting rules. For instance, a conversation taking place in the organisation, or an order, may be facilitated by the use of financial figures. Management accounting rules may also constitute a basis for membership in the organisation. The definition of appropriate or inappropriate behaviour for oneself or others may be defined by reference to financial figures or financial categorisations.

An issue that can be raised at this point is whether management accounting always has the capacity to become a privileged basis for the definition of rules of meaning and membership enacted in organisations. The answer is probably that, in specific situations in time and space, management accounting may *or may not* assume such a central role. All depends on the way it is involved in the representations, and strategies to enact those representations, within a prevailing configuration of power relations. To understand the fate of

representations based on management accounting rules, one will have to analyse strategies conducted to enact those representations, and the events and counter-strategies that potentially ensue. Prevailing rules of meaning and membership may enhance or hinder those strategies, and thus the enactment of the proposed representations. For instance, and as OIE writers have shown, if rules of financial orientation are widely institutionalised in an organisation it is likely that a strategy to impose a supposedly 'better' management accounting system will be facilitated. On the contrary, if other bases for meaning and membership prevail, for instance if financial values are widely perceived with suspicion, it is likely that such an imposition will be more difficult.

One issue that remains is how can specific management accounting rules be enacted if they confront other, conflicting, rules of meaning and membership prevailing in a specific organisation?

3.2. Management accounting as technology of discipline and production

Management accounting systems are not only 'rule books'. They not only transmit a set of rules of financial orientation, but also – potentially – provide for the very following of those rules. There is a material dimension to management accounting, reflected mainly in the disciplinary and productive characteristics of management accounting reports and figures. For instance, a performance evaluation system probably involves, on the one hand, a set of rules such as an orientation to specific measures of financial performance. On the other hand, such a system will also involve the production of reports that render the following (or non-following) of those rules visible in multiple time-space contexts, such as performance evaluation meetings. Therefore, it is likely that attempts to implement management accounting in organisations will not merely involve the proposal and communication of specific rules, but also the creation of material conditions conducive to their enactment.

Management accounting systems may constitute not only a carrier of rules of meaning and membership that may or may not become obligatory in specific settings. These systems may also function as technologies of discipline and production, facilitating the interpretation and following of those rules. Specifically, management accounting may (1) create lines of visibility (or centres of calculation) that produce surveillance effects, potentially promoting discipline; and (2) facilitate the interpretation and following of rules, by providing timely and adequate information capable of aiding everyday decisions and actions.

The first of these characteristics points to the potential panoptical effects of management accounting systems. Actors in the organisation may know that their conformity or non-conformity to the rules of meaning and membership dictated by such systems are subject to a permanent gaze. Lines of visibility into the actions and performance of specific actors are opened, and the existence of some assessment or normalising criteria guarantees an orientation to the rules carried by management accounting systems. Disciplinary effects – that is, disposition to follow the rules – may therefore be created.

The creation of disciplinary effects by management accounting systems must, however, be seen in terms of prevailing configurations of power. For instance, an employee working in the customer's service department is faced with a recently developed system of financial indicators of performance that advises her to give priority to profitable customers over less profitable ones. However, she knows that this system is not the main basis for her performance assessment. The organisational structure is highly hierarchical, and her hierarchical superior does not accept the terms of the new management accounting system. If no means are available to discipline this last individual, it is possible that rules followed in the department will be insulated from the rules dictated by that system.

However, even if dispositions are created for the enactment of rules dictated by a specific management accounting system, such enactment may not occur. For instance, a system of contribution margins by geographical area may be implemented, and reports assessed in board meetings. However, a sales manager responsible for a certain geographical area may simply not know how to orient everyday decisions and actions in order to increase the contributions of her area. Here, the problem is that rules do not provide for their own interpretation: different meanings may be attached to the supposedly same rules. One manager may wrongly believe that increasing sales volumes will necessarily lead to better contribution margins. Other manager may understand that selling to non-profitable customers may have a negative effect on those margins. But even if all sales managers interpret the rules being transmitted, and even understand that sales to non-profitable customers are to be avoided, there may still be a problem: how to identify these customers?

These examples point to the above-mentioned second potential characteristic of management accounting systems as a technology of discipline *and production*. Here, at stake are the enabling features of these systems. They may allow for the enactment of a representation of the sales departments as oriented to rules leading to improved contribution

margins. For instance, if an adequate system is enacted, involving simple and reliable indicators that are provided to sales managers on a timely basis, it is possible that the rules enacted at the operational level will be aligned with that representation: non-profitable customers will be avoided, and an orientation to contribution margins will be achieved.

Further, and once more, other features of circuits of power may facilitate or constrain the ability of management accounting systems to constitute a powerful technology of discipline and production, capable of disciplining and enabling the following of specific rules. For instance, many organisational actors – and especially those in the sales departments – may be illiterate in terms of financial language and rules. In other words, there may be considerable difficulty in fixing rules of meaning. People may simply not understand the rules being transmitted by the new system.

Also, other material conditions may enhance or hinder the potential of management accounting systems as technologies of discipline and production. For instance, the non-availability of a powerful Information Technology (IT) may hinder the reliability and timeliness of the reports produced (if, say, the technology does not ensure accurate and timely recording). Not surprisingly, processes of restructuring and organisational change – including those involving management accounting change – often involve the adoption of a new information technology like an Enterprise Resource Planning System.

4. Conclusion

This paper presented a discussion on the roles that management accounting may perform in organisations and organisational change processes. Firstly, we reviewed different conceptions of the relationship between management accounting and power that have been present in the literature. This constitutes, we believe, a useful exercise in itself, and allowed us to locate and clarify our own perspective. Conventional, systemic and pluralist perspectives on power more or less explicitly associate the phenomenon of power with the occurrence of overt conflicts. Hence, management accounting will establish a relation with power if involved in such conflicts. However, we suggested that power may be present even if no overt conflict takes place. For instance, it may be linked to institutionalised rules in a social system, as so-called OIE authors would tend to argue. Also, power is implied in prevailing material conditions, such as the distributions of resources or existing technologies of discipline and production that advantage the interests of some groups over others.

Our conceptualisation of management accounting and power – described in section 3 – follows from a recognition that power is present in dimensions that underlie its episodic manifestations. We contended that management accounting can, firstly, be seen as a carrier of rules of meaning and membership. It may constitute a ‘rule-book’ through which actors attempt to propose and promote specific rules (e.g. of financial orientation) to other actors whom they wish to enrol. However, prevailing rules may hinder the acceptance and the enactment of new management accounting rules. We also contended that management accounting can be conceptualised as a technology potentially *capable of disciplining and enabling* the following of the very rules it carries. This is linked with the ability of management accounting systems to create lines of visibility and also to provide adequate and timely information that facilitates the interpretation and enactment of specific rules. It was noted, however, that the capability of management accounting to produce disciplinary and enabling effects may itself be constrained or enabled by the characteristics of the prevailing configuration of power relations.

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