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The Societal Relevance of Management Accounting Innovations: Economic Value Added and Institutional Work in the Fields of Chinese and Thai State-Owned Enterprises

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ABSTRACT

This paper contributes to the emerging debate about the societal relevance of management accounting innovations by examining the institutionalisation of Economic Value Added (EVA) as a governance mechanism in the fields of Chinese and Thai State-Owned Enterprises (SOEs). In doing so, we widen the view of this innovation from the conventional one as a vehicle of managerial alignment with capital markets pressures and explore how it became implicated in the political regulation and governance of such enterprises. We also examine how such processes were influenced by a broader set of societal interests than those typically assumed to dominate the use of EVA as a governance mechanism. To theorise this development we mobilise the notion of institutional work, denoting the human agency involved in creating, maintaining and disrupting institutions, and examine the collective actions attributable to the coordination of key actors with a stake in the institutionalisation of EVA. We extend extant research on this topic by exploring how different types of institutional work were implicated in creating and maintaining a degree of field cohesiveness, defined in terms of how consistent and tightly coordinated the interests dominating organisational fields are. This sheds light on how different field conditions foster variations in the patterns of institutional work evolving over time and how different types of work support and detract from each other. We discuss the implications of our comparative, field-level analysis for future research on the societal relevance of management accounting innovations and institutional work.