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EARLY MANAGEMENT ACCOUNTING PRACTICES IN JAPAN – THE CASE OF THE MITSUBISHI MAIL STEAMSHIP COMPANY

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ABSTRACT

This paper examines early stages of the development of management accounting practices in Japan, specifically the case of Mitsubishi Mail Steamship Company. Using the archives of Mitsubishi Shiryokan, this paper presents a historical analysis of the role of operating units (branches and ships) and the further development of double-entry bookkeeping with the introduction of budgeting. Our analyses assume a contingent relationship between the organization and its accounting system with a variety of environmental forces, such as competition, governmental subsidies, economic conditions, etc.

Shipping and shipping firms played a significant role in maintaining Japan's independence and promoting its economic development. Personnel transfer, the dual control of information, collectivism, and the initial focus on revenues were observed to be important features of the accounting and reporting structure. These findings are discussed in relation to the management practices of the Tokugawa era as well as modern Japanese business.

Keywords: Japanese management accounting, double-entry bookkeeping, budgeting, Meiji Japan, governmental subsidies.