

KOBE 2013

第7回アジア太平洋学際的会計研究学会

The Seventh Asia Pacific Interdisciplinary Research
in Accounting Conference

July 25, Kobe International Conference Center

Emerging Scholars Colloquium



Accounting, Auditing
& Accountability Journal



The Seventh Asia Pacific Interdisciplinary Research in Accounting Conference
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Accounting, Auditing and Accountability Journal

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Welcome to APIRA's Emerging Scholars Colloquium

It is our privilege to welcome you to APIRA's Emerging Scholars Colloquium associated with the 7th APIRA conference in Kobe, Japan, as AAAJ moves into its second quarter century. You make up a select group of scholars from around the globe who will be in close interaction with each other and the Colloquium Faculty on your own research, your colleagues' research, and interdisciplinary research issues of common interest to our research community.

We are extremely fortunate to have such a high profile cadre of expert faculty members drawn from around the globe. It will be an intensive, energising and productive experience for all of us.

We would particularly like to record our thanks to Dr Badrul Mohammad Haider at Kobe University for his meticulous support in the organisation of this Colloquium. Without him, this event would not have been possible. In addition, we must thank Kobe University SESAMI Program for supporting this colloquium.

Make the most of this opportunity. It can deliver significant outcomes for you, even in the Colloquium's short period. At this Colloquium, you have the opportunity to:

- discuss your research with peers and senior research faculty who will lead the colloquium, both in formal sessions and informally in the breaks and at dinner
- present an aspect, issue or question from your current research in small group settings
- network and form ongoing contacts with scholars in fields of research relevant to you
- benefit from presentations and advice of leading scholars in subject areas and methodological traditions supported by the APIRA conference and *Accounting, Auditing & Accountability Journal*

If you walk away from this Colloquium with one new ongoing researcher contact and one good new idea for your research, then this Colloquium will have done its job.

So let's get involved and engaged!

Professors Lee Parker and Katsuhiko Kokubu
Colloquium Leaders and Facilitators



Program

- 8:50** Registration
- 9:10** Welcome speech by Professor Parker and Professor Kokubu
- 9:20** **First plenary presentation** (30minutes each including Q&A)
Professor David Cooper (University of Alberta)
Professor Norio Sawabe (Kyoto University)
Room 401
- 10:20** Coffee break
- 10:40** Small groups discussions of 3 members' submitted issues
1st Presenter 10:40-11:10
2nd Presenter 11:10-11:40
3rd Presenter 11:40-12:10
- 12:10** Lunch break
- 13:00** **Second plenary presentation** (30minutes each including Q&A)
Professor Chika Saka (Kwansei Gakuin University)
Professor Deryl Northcott (Auckland University of Technology)
Room 401
- 14:10** Small groups discussions of 3 members' submitted issues
4th Presenter 2:10-2:40
5th Presenter 2:40-3:10
6th Presenter 3:10-3:40
- 15:40** Coffee break
- 16:00** Small groups discussions of 2 members' submitted issues
7th Presenter 4:00-4:30
8th Presenter 4:30-5:00
- 17:00** **Third plenary presentation** (30minutes each including Q&A)
Professor Jeffrey Unerman (University of London)
Professor Niamh Brennan (University College Dublin)
Mr. Andrew Smith (Emerald Group Publishing) (20 minutes speech)
Room 401
- 18:20** Closing speech by Professor Parker and Professor Kokubu
- 18:30-** Buffet Party at Kobe International Conference Center

Colloquium Format:

1. **8 scholars** are allocated to each group and they can stay with that group all day.
2. **2 professors** are allocated to each group, but swapped between groups between morning and afternoon, so that all scholars get to interact in their group with 4 professors across the whole day.
3. Each scholar gets **30 minutes. 15 minutes** to present his/her research topic and **15 minutes** for discussion.
4. Plenary session
 - a. First plenary – Research project management
Covering such topics as managing interdisciplinary projects, collaboration with other researchers, managing field research, collaborating with organisations
 - b. Second Plenary – Emerging Research methods and Topics for the future
Covering newer methodologies for consideration, methodologies from other disciplines, subject areas needing attention and offering exciting new areas for interdisciplinary accounting researchers
 - c. Third Plenary – Research Career Management
Covering reflections and advice on how to manage one's research, publishing, career planning and progression

Small Groups for Discussion

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
Room	402	403	404	405	406	407
Faculty Members	Prof. Northcott Prof. Kajiwara	Prof. Guthrie Prof. Sawabe	Prof. Saka Prof. Jacobs	Prof. Unerman Prof. Shiba	Prof. Noguchi Prof. Brennan	Prof. Carnegie Prof. Cooper
1st Presenter 10:40-11:10	Danielius Valuckas (Norwegian School of Economics)	Rosanna Spanò (University of Catanzaro Magna Graecia / University of Naples Federico ii.)	Kathleen Makale Noelle (Victoria University of Wellington)	Ann Sardesai Queensland (University of Technology)	Francesca Lim (Victoria University of Wellington)	Ide Clinton (University of Ballarat)
2nd Presenter 11:10-11:40	Yan Li (Meikai University)	Fazlin Ali (Aston University)	Yousuf Kamal (RMIT University)	Shilinka Smith (Auckland University of Technology)	Hajar Roudaki (University of Wollongong)	Umberto Francese (University of Roma 3)
3rd Presenter 11:40-12:10	Yoko Kinugasa (Shiga University)	Ashfaq Khan (University of New England)	Matthew Sorola (Victoria University of Wellington)	Yusuke Nakazawa (Kobe University)	Sebastian Becker (HEC Paris)	Nicole Moschakis (University of Adelaide)
Lunch Break & Plenary Session						
Faculty Members	Prof. Guthrie Prof. Sawabe	Prof. Northcott Prof. Kajiwara	Prof. Unerman Prof. Shiba	Prof. Saka Prof. Jacobs	Prof. Carnegie Prof. Cooper	Prof. Noguchi Prof. Brennan
4th Presenter 14:10-14:40	Hiroyuki Suzuki (University of Manchester)	Shuichi Inoue (Kyoto University)	Tarek Rana (Australian National University)	Clare Markham (Victoria University of Wellington)	Dale Wadeson (James Cook University)	Ersa Tri Wahyuni (University of Manchester)
5th Presenter 14:40-15:10	Akiko Phillips (University of Wollongong)	Mark Runnalls (Macquarie University)	Lyn Daff (University of South Australia)	Clune Conor (Amsterdam Business School, University of Amsterdam)	Zubir Bin Azhar (University of Manchester)	Chris Kandunias (University of South Australia)
6th Presenter 15:10-15:40	Marcelo Barroso (University of São Paulo)	Mahmud Masum (University of Adelaide)	Sanjaya Kuruppu (University of South Australia)	Joane Jonathan (La Trobe University)	Marko Hermawan (Victoria University of Wellington)	Alena Golyagina (NHH, Norwegian School of Economics)
7th Presenter 16:00-16:30	Arata Suzuki (Osaka City University / Kobe University)	Tatsumasa Tennojiya (Hiroshima University of Economics)	Jieqi Guan (University of Macau)	Tri Jatmiko Wahyu Prabowo (Macquarie University)	Amanda Tan-Sonnerfeldt (Lund University)	Annika Beelitz (Bangor University)
8th Presenter 16:30-17:00	Sharlene Sheetal Narayan Biswas (University of Auckland)	Yuichi Ichihara (Kyoto University)	Norsyahida Mokhtar (International Islamic University Malaysia)	Arus Kongrungchok (University of Newcastle)	Ben Jacobsen (La Trobe University)	Murniati Mukhlisin (University of Glasgow)

List of Emerging Scholars

Name	University	Country
1. Ali, Fazlin	Aston University	United Kingdom
2. Azhar, Bin Zubir	University of Manchester	United Kingdom
3. Barroso, Marcelo	University of São Paulo	Brazil
4. Becker, Sebastian	HEC Paris	France
5. Beelitz, Annika	Bangor University	United Kingdom
6. Biswas, Sharlene Sheetal Narayan	University of Auckland	New Zealand
7. Clinton, Ide	University of Ballarat	Australia
8. Conor, Clune	University of Amsterdam	Netherlands
9. Daff, Lyn	University of South Australia	Australia
10. Francese, Umberto	University of Roma 3	Italy
11. Golyagina, Alena	NHH, Norwegian School of Economics	Norway
12. Guan, Jieqi	University of Macau	China
13. Hermawan, Marko	Victoria University of Wellington	New Zealand
14. Ichihara, Yuichi	Kyoto University	Japan
15. Inoue, Shuichi	Kyoto University	Japan
16. Jacobsen, Ben	La Trobe University	Australia
17. Jonathan, Joane	La Trobe University	Australia
18. Kamal, Yousuf	RMIT University	Australia
19. Kandunias, Chris	University of South Australia	Australia
20. Khan, Dr Ashfaq	University of New England	Australia
21. Kinugasa, Yoko	Shiga University	Japan
22. Kongrunghok, Arus	University of Newcastle	Australia
23. Kuruppu, Sanjaya	University of South Australia	Australia
24. Li, Yan	Meikai University	Japan
25. Lim, Francesca	Victoria University of Wellington	New Zealand
26. Makale, Kathleen Noelle	Victoria University of Wellington	New Zealand
27. Markham, Clare	Victoria University of Wellington	New Zealand
28. Masum, Mahmud	University of Adelaide	Australia
29. Mokhtar, Norsyahida	International Islamic University Malaysia	Malaysia
30. Moschakis, Nicole	The University of Adelaide	Australia
31. Mukhlisin, Murniati	University of Glasgow	United Kingdom
32. Nakazawa, Yusuke	Kobe University	Japan
33. Phillips, Akiko	University of Wollongong	Australia
34. Prabowo, Tri Jatmiko Wahyu	Macquarie University	Australia
35. Rana, Tarek	Australian National University	Australia
36. Roudaki, Hajar	University of Wollongong	Australia

Name	University	Country
37. Runnalls, Mark	Macquarie University	Australia
38. Sardesai Ann	Queensland University of Technology	Australia
39. Smith, Shilinka	Auckland University of Technology	New Zealand
40. Sorola, Matthew	Victoria University of Wellington	New Zealand
41. Spanò, Rosanna	University of Catanzaro Magna Graecia and University of Naples Federico II	Italy
42. Suzuki, Arata	Osaka City University / Kobe University	Japan
43. Suzuki, Hiroyuki	University of Manchester	United Kingdom
44. Tan-Sonnerfeldt Amanda	Lund University	Sweden
45. Tennojiya, Tatsumasa	Hiroshima University of Economics	Japan
46. Valuckas, Danielius	Norwegian School of Economics	Norway
47. Wadeson, Dale	James Cook University	Australia
48. Wahyuni, Ersu Tri	University of Manchester	United Kingdom

List of Faculty Members

1. Professor Niamh Brennan (University College Dublin, Ireland)
 2. Professor Garry Carnegie (RMIT University, Australia)
 3. Professor David Cooper (University of Alberta, Canada)
 4. Professor James Guthrie (The University of Sydney, Australia)
 5. Professor Kerry Jacobs (Australian National University, Australia)
 6. Professor Takehisa Kajiwara (Kobe University, Japan)
 7. Professor Katsuhiko Kokubu (Kobe University, Japan)
 8. Professor Akihiro Noguchi (Nagoya University, Japan)
 9. Professor Deryl Northcott (Auckland University of Technology, New Zealand)
 10. Professor Lee Parker (University of South Australia, Australia)
 11. Professor Chika Saka (Kwansei Gakuin University, Japan)
 12. Professor Norio Sawabe (Kyoto University, Japan)
 13. Professor Kenji Shiba (Kansai University, Japan)
 14. Professor Jeffrey Unerman (University of London, Royal Holloway, UK)
-
15. Assoc. Professor Badrul Mohammad Haider (Kobe University, Japan)
 16. Mr. Andrew Smith (Emerald Group Publishing, UK)

Abstracts

No.1

Management Accounting and Control Systems in the Palm Oil Industry

Fazlin Ali
Aston University

This study seeks to investigate management accounting and control systems in the contextual setting within a single organisation which is a palm oil based organization in Malaysia. The research takes a broad view of what constitutes accounting and the extent to which it is implicated in organizational processes and interactions. The research look from the perspective that social events and structures such as organizations are the consequence of the constant interweaving of human and material agency (Leonardi, 2011; Nicolini et al, 2012; Orlikowski, 2010). In this sense, management accounting and control systems are not perceived as systems that work independently of these interweaving but reflect the role of human actions on the accounting practice in the context in which it is being use. Accounting is understood “as material artefact that are socially defined and socially produced, and thus as relevant only in relation to the people engaging with them’ (Orlikowski, 2010b, p131). This study is aimed to provide a better understanding of management accounting and control practices within a single organization context; involving employees at different levels and functional areas in a complex multi-site organisation; by answering the question: What constitutes accounting and what is the extent to which it is implicated in organizational process and interactions of daily practices?

Management Accounting Innovations for Corporate Reengineering: An Interpretive Case Study of A Government-linked Company in Malaysia

Zubir Azhar
University of Manchester

Reengineering has become an increasingly important business practice over the last 20 years (Ozcelik, 2010; Hammer, 1990; Davenport & Short, 1990). Although it has been interpreted in various different ways in the literature, its core element, however, concerns the substantial redesign of existing business processes, functions and/or structure. The specifics of a reengineering exercise are embodied in a formal plan for performance improvement and involve influencing existing business practices, including management accounting, to change. This paper argues that there are important interactions between the reengineering and management accounting. In examining such interactions, this study has considered a government-linked company (GLC) in Malaysia. The reengineering in this GLC was imposed by its parent (a government's proxy) as part of a wider government initiative to improve business performance in all GLCs due to their perceived underperformance post-privatisation.

Using the case study method, this study examines how the company has undertaken the reengineering exercise; what have been the interactions with management accounting. It is also important to elucidate how the company has responded to multiple, fragmented, and evolving institutional systems. While multiplicity of institutional demands can give rise to conflict, it may also open up opportunities for institutional change. This study aims at enhancing the understanding of institutional change by shedding light on the micro-actions of actors who encounter hybrid and competing logics. These actors face contradictory pressures as the company is, on the one hand, trying to move towards business logics through the pursuit of the reengineering, yet on the other hand, it is restricted by the social considerations which it inherited from the public sector era.

In order to analyse the findings, this study adopts the institutional framework of Burns & Scapens (2000) as its theoretical lens, although it also draws upon and the institutional logics perspective of Thornton et al. (2012) and other recent institutional research. The Burns & Scapens' framework is potentially useful because it has been extensively used to study management accounting change, although to date it has not dealt with reengineering. Meanwhile, the Thornton et al.'s perspective may be particularly useful in examining the multiple inter-institutional systems that influence individual and organisational behaviour. Data for this study has been gathered through both analysing the extensive archival documents and in-depth semi-structured interviews with key people who were involved in the reengineering exercise in the chosen company, as well as representatives from the parent company and the government.

This study attempts to provide insights into the interactions between reengineering and management accounting practices that may be useful for other GLCs seeking to reengineer their businesses or plan their process of change. They may also be useful in recognising the contributions that management accounting can make to reengineering and also the dangers it can pose. The theoretical significance of this study will be in explaining the impact on the organisational change of the different institutional logics embedded in the reengineering and in management accounting respectively. The discussion of institutional logics within the context of change is important especially when logics from different institutions and practices are present and likely to conflict (Thornton et al., 2012). As such, this study will shed light on how competing logics may possibly coalesce when change, at both the organisational level and the managerial level, is introduced. Such discussions are important as not many accounting-based studies have looked at institutional logics and change, particularly in the contexts of privatisation, reengineering and management accounting change. Thus, it is hoped that this study will contribute to the institutional analysis literature by demonstrating the role of logics in shaping and constraining institutional change.

The Discursive Dynamic of Management Control

Marcelo F. G. Barroso
University of Sao Paulo

Management control regards the efforts of organisational people to influence and direct the behaviour of others within the organisation in order to increase the probability that they will decide and act 'effectively', thus contributing to the realization of some set of 'organisational objectives'. It is a matter of securing sufficient resources and mobilizing and orchestrating individual and collective action towards given ends. Management accounting artefacts are ubiquitous in regard to management control as an effect of the classical model of management control as developed since Robert Anthony's seminal work. Traditional rationale of management control and the management controls through which it is exercised ground on functionalist and structuralist ontological assumptions. In spite of this, I regard on post-structuralist reasoning to research about management control as discursively constructed. The aim under this research project is to study this dynamic of 'management control' upon a discursive ontology, unveiling the logics and rhetoric that constitute the regime of practices 'management control' and that articulate the discourse which structure the social interactions within organisations in the name of it. In a nutshell, my main research questions is: what is the dynamic through which the logics of management control are articulated to constitute contextually-specific organisational discourses? The theoretical support for this project is developed within the premises of post-structuralist discourse theory, and the research is developed through a retroductive circle for explanation in social sciences: problematisation, retroductive explanation/theory construction, and persuasion/intervention. Whilst discourse theory provides the grammar, in the form of categories and logics, for developing an understanding of management control as regime of social and political practices within organisations, retroductive reasoning supports methodologically this development, grounded on post-structuralist ontology to explanation in social sciences. These steps of the retroductive circle are under development through to-and-fro analyses between logical developments and empirical investigation. Logical developments correspond to the initial and recurring efforts to describe and characterise the discourse of management control using the grammar provided by discourse theory (categories, logics, practices, antagonism, political projects etc.). The retroductive circle developed throughout this research effort may start and conclude through these logical developments. The empirical investigation corresponds, nonetheless, to the effort of adjusting, complementing, contesting and revising the logical developments. Thus, through ethnography within organisational environments where management control is being objectified and practiced, where the logic of management control is in action, and where the discourse of management control is being recurrently hegemonised and subverted, I am enriching the retroductive circle adding substantive materiality to the problematisation, retroductive explanation and intervention stages. The theoretical contribution aimed from this research project regards the constitution of 'management control' as discourse: the main objective of the research shall account for the characterisation of such dynamic process within organisational environments, proposing a novel perspective for comprehending, researching and teaching management control.

No.4

Scripting the profession – Professional role scripting as institutional work carried out by members of voluntary professional associations

Sebastian Becker
HEC Paris

The institutional literature understands institutional work as the purposive action of individuals or organizations with the aim to create, maintain, or disrupt institutions. This study analyzes the efforts of a management accounting community in promoting a business partner role for management accountants thereby furthering the relevance of its adherent members in organizational contexts. In the context of the so-called “traditional” professions, the institutionalised design of a professional role is typically shaped by a professional association that officially represents and regulates the corresponding profession. Here, membership is usually mandatory, education is organised and provided by the association, and its members go through specific socialisation processes. Through these processes, professionals internalise the role scripts provided by their professional association, which, in turn, shapes their professional identities. On the contrary, research has, to a large extent, ignored what have been called quasi-professions such as, for example, sustainability managers, HR managers, or management accountants etc. who all perform more or less legitimated and institutionalised professional roles, mostly within organisations. In contrast to traditional professions, these professional groups and their roles are often not officially regulated and controlled by mandatory professional associations exerting normative and coercive pressure on its members. Nevertheless, quasi-professions are often surrounded by heterogeneous professional communities composed of members of the respective professional group, academics, consultants, or other actors having some kind of interest in promoting or taking influence on the respective quasi-profession. In light of this, one can find professional discourses about quasi-professions in which various aspects like appropriate practices, techniques, and behaviour are discussed from different angles. In these professional discourses, ideas are brought forward describing, for instance, what an appropriate role for the respective profession should be. We study the activities of such a voluntary association by conducting an extended case study of the events, activities, as well as the discourse produced around the devising of a “business partner” role by a voluntary association. First, a main source of data is a documentary analysis of the publications by members, consultants, academics, or practitioners in the association’s membership journal since 1975 as well as official statements (guidelines, mission statements, white papers etc.) issued by the association. Second, we conduct interviews with key actors in the community to understand better the intensions behind certain activities of the voluntary association. Third, we also conduct participant observations at internal meetings as well as at annual conferences. Our analysis suggests that and illustrates how voluntary professional associations engage in role scripting work to promote or at least maintain particular job-related roles both through taking a position of certain roles directly as well as indirectly vis-à-vis the practices suggested to its members as well as members of surrounding professions.

Do Prior Investor Perceptions Mitigate the Adverse Impact of Natural Disasters on Utility Share Prices? The Case of Fukushima

Annika Beelitz
Bangor University

The study investigates whether favourable investor perceptions prior to an environmentally-related accident may have a moderating effect on resulting negative share price reactions. Share prices are regarded as the outcome of investor perceptions on the basis of financial performance evaluation. Prior research on environmental accidents has found significantly negative market reactions for companies affected by such events. The study focuses on the share price reactions on utility stocks worldwide following the disaster at the Fukushima Daiichi nuclear power plant on 10 March 2011. Due to the severity and magnitude of the accident, the event represents an interesting research context to investigate the resulting market reaction and to examine whether prior investor perceptions about utility companies may have a mitigating effect. The paper analyses in particular whether firms with a higher organisational reputation prior to the disaster may experience a more moderate negative share price reaction compared to companies with a lower organisational reputation.

Based on a sample of 459 utility companies worldwide, the study applies an event day methodology to calculate post-Fukushima share price reactions. The abnormal returns are then regressed on three reputational measures (environmental reputation, CSR reputation and investment reputation) in order to examine whether prior organisational reputation had an impact on market prices. The study finds that a favourable environmental reputation (i.e., being listed in the Newsweek 'greenest' companies ranking) and investment reputation (i.e., credit ratings) prior to the Fukushima disaster had a mitigating effect on the negative share price movements of nuclear companies. However, CSR reputation (i.e., being listed in the Dow Jones Sustainability Index) is found to have no impact on investor perceptions. This suggests that establishing and maintaining a favourable environmental reputation and investment reputation may benefit utility companies during environmental crises.

Influence of Management Control Systems on the Use of Open Innovation Practices

Biswas Sharlene Sheetal Narayan
University of Auckland

Motivated by a shift in innovation thinking from closed to open innovation¹, the aim of this study was to provide empirical insights into the influence of formalized management control systems (MCS) on an organization's use of open innovation practices. This was done by analysing the organizational rules and routines of organization members in relation to an organization's innovation practices. Using three case studies where data was collected through semi-structured interviews and document analysis, the study addressed the research question: *can formalized MCS influence the use of open innovation practices in a firm?*

Using an extended theoretical framework based on institutional theory to analyse the data from the three case sites, the study found that the influence that formalized MCS have on the use of open innovation practices in a firm is dependent on two key factors:

The nature of the formalized MCS. That is, whether the formalized MCS are coercive in nature, forcing the project level organization members to act as prescribed by top management through the formalized MCS; or whether the formalized MCS allow the project level organization members to act according to their own understanding of the situation.

Whether the perspectives of project level organization members in relation to the use of open innovation practices are consistent with the perspectives of top management.

The evidence from the case studies showed that formalized MCS helped transform the routines of organization members in relation to the use of open innovation practices where the project level organization members were forced to act as prescribed by top management through the use of coercive formalized MCS. Furthermore, the evidence showed that the formalized MCS helped support the use of open innovation practices or alternatively deterred the use of these practices, where, despite having the option to act otherwise, the project level organization members' routines encoded the formalized MCS. This was because the project level organization members' perspectives were consistent with the top management's perspectives which were enacted in the formalized MCS.

Alternatively, where the perspectives of the two groups of organization members were inconsistent, the routines of the project level organization members tended to be decoupled (or at best loosely coupled) from the formalized MCS. This was because the project level organization members acted according to how they believed was most appropriate for the situation they were in. These decoupled routines may improve performance in the firm as seen in one of the case studies. In that situation top management decided not to change the formalized MCS as changing the formalized MCS may have destabilized the routines and created inefficiencies. On the other hand, the decoupled routines may be seen to be counter-productive as shown in the evidence from another case study. In that case, top management was forced to coerce the project level organization members to act differently. The top management at the second case study did this through changes to some of the formalized MCS, which were coercive in nature and restricted the action choices available for the project level organization members.

Moreover, the evidence from this study contributes to our understanding of the processual view of change, where a change to formalized MCS does not always constitute a corresponding change in the practices of other organization members as expected by those initiating the change.

¹ Open innovation is when organizational members in the innovation team seek input from somebody who is not from inside the company as part of their innovation project.

**Towards a Conceptual Framework for Prudential Financial Reporting:
The Specific Case of Superannuation Funds**

Ide Clinton
University of Ballarat

Accounting reports are required to be prepared where there is a fiduciary obligation such as that which exists between companies and shareholders, trustees and beneficiaries and other similar arrangements. The complexity of accounting in the traditional fiduciary area has resulted in extensive regulation through accounting standards that are underpinned conceptually by a reporting framework. General purpose financial reports (GPFR) are prepared in accordance with accounting standards and describe the financial performance of an entity. This allows for the discharge of responsibility by financial institutions such as banks and superannuation funds. However, financial institutions have 'particular' reporting requirements to individual account holders. With regard to 'particular' reporting such as bank statements for bank account holders or benefit statements for superannuants the reporting is in accordance with prudential requirements rather than being conceptually based. In an environment of greater reliance on defined-contribution superannuation arrangements and increased member choice of investment there is an increased responsibility on superannuants to take a more active role in the management of their superannuation fund. This project will examine superannuants understanding of their benefit statements, the effect they have on their decision-making capabilities and establish a framework for 'particular' reporting.

The Emergence of a Dutch “Social Change” Organisation: The role of social capital when advocating for corporate accountability

Conor Clune
University of Amsterdam

This study seeks to examine how VBDO (the Dutch Association of Investors for Sustainable Development) has emerged as a legitimate social change agent¹ in the Dutch environmental, social and corporate governance (ESG) context. In particular, we seek to examine the mechanisms by which VBDO holds commercial organisations to account and understand how and why these mechanisms have been accepted by commercial organisations in the Dutch ESG environment. We propose to investigate how VBDO, since its establishment in 1995, has emerged to hold influence in advocating for corporate accountability. To achieve this aim we will undertake semi-structured interviews with past and present executive directors and key employees of VBDO, members of its institutional network, and key organisations with which it first engaged. Documentary analysis of VBDO reports and both institutional member and targeted commercial organisation social and environmental reports and ESG disclosures will be used to both inform and support findings.

Our case setting is VBDO, a Dutch social change organisation that strives to influence corporate accountability by engaging with organisations to improve ESG practices. To achieve this aim VBDO has adopted both collaborative and adversarial strategies; it attends shareholder meetings of over 80 Dutch organisations annually, organizes stakeholder dialogues for leading publically listed Dutch organisations, and has published benchmarks that encourage organisations to improve their ESG practices in areas such as human rights, responsible supply chain management, sustainable remuneration, and social and environmental reporting. VBDO has clearly established itself as an agent that holds Dutch commercial organisations to account for their ESG activities. Its social and environmental reporting transparency benchmark, for example, was adopted by the Dutch Government in 2004 and is mandatory for the 1,000 largest Dutch commercial organisations.

We propose to draw upon the concept of social capital to understand and explain case findings. In doing so, we seek to further theoretical and empirical research examining social capital emerging from inter-firm² networks in accounting and organisation studies (Adler & Kwon, 2002; Chenhall, Hall, & Smith, 2010; Maak, 2007; Nahapiet & Ghoshal, 1998). Of particular interest is the means through which VBDO’s institutional network has been created. Bourdieu (1983) suggests that networks are the result of investment strategies, which can be either consciously or unconsciously driven, specifically aimed at establishing social relations that can be used to the benefit of the creating individual or organisation. We seek to examine if, and if so how, VBDO’s institutional network provides a platform for social capital to emerge and enable collective action to occur.

We suggest that this case study could provide the following contribution to existing literature. The case study provides understanding of how stakeholders achieve legitimacy in the eyes of management of commercial organisations. Current conceptual and empirical work theorises the factors that these commercial organisations consider in determining stakeholder salience (Mitchell, Agle, & Wood, 1997). Social movement literature provides insight into how collective action among stakeholders can achieve influence (King, 2008). Our study seeks to provide empirical evidence of how such strategies are achieved and thus provide insight into how stakeholder groups achieve salience within the ESG setting.

¹ VBDO are a difficult organisation to classify. I have chosen “social change organisation” as its goal is to influence to ESG practices of commercial organisations. They do not define themselves as an NGO and I do not feel the case is an NGO accountability story. There is the potential to use the term civil society organisation.

² Inter-firm networks are defined as a network of organisations that would otherwise not be connected to one another. When considering the concept of social capital it is important to distinguish inter-firm networks from intra-firm networks, where the later comprises of units within the same organisation.

Not-for-profit accountants' approaches to communication

Lyn Daff
University of South Australia

Accountants play an important role in organisations and a significant aspect of accountants' work is communication. This places accountants in the role of experts having their own unique technical language, and creates communication issues for accountants as well as understanding and interpretative issues for users. Accountants' formal communication in terms of financial and management reports have been addressed in previous research. However, the conversations and explanations that arise from those reports have received scant attention.

This study focuses on accountants working in the NFP sector. Globally governments are increasingly relying on NFP organisations to deliver a wide range of programs, additionally donors and clients exhibit increasing expectations. In NFP organisations, service objectives are usually a dominant priority; however accountants' primary language may be described as economic and this adds to communication issues for accountants working in NFP organisations.

The research seeks to understand who NFP accountants communicate with, the topics they communicate about, the reasons they communicate, and their approaches and challenges. In addition it investigates how NFP sector accountants address their communication challenges and the advice they have for accountants entering the sector. Challenges may arise due to the unique features of the NFP sector as well as due to particular organisational features. Recommendations from this study may provide helpful advice to accountants who face similar communication challenges within their organisations. Given the pivotal role accountants play in organisations and the reliance on their communications, identifying challenges and suggesting strategies to overcome those challenges will potentially improve organisational outcomes.

Semi-structured qualitative interviews with 30 accountants from three different Australian states were employed to collect and create data and thematic analysis was used to derive the key issues from the data.

For the Emerging Scholars Colloquium I would like to discuss the use of diagrams to present some of my findings. I seek input into the understandability of the explanations and presentation of the diagrams.

Consolidated Financial Statements: Comparative Analysis Italian Gaap vs International Accounting Standards

Umberto Francese
University of Roma 3

This research project is based on the assumption that the partnership between companies is becoming growing important in order to do business in the actual global economic market.

This context has led to an increasing choice of the group as the most effective organizational form for doing business and, consequentially, the consolidated financial statements is becoming increasingly important as it is the financial reporting document aimed at the representation of the economical and financial situation of the group as a single entity.

There are several critical aspects that involve the construction, the interpretation and the formation process techniques of consolidated financial statements according to both Italian Gaap and the International Financial Reporting Standards (IFRS).

Thus, the purposes of this project are: (i) to provide a multi-level study that analyzes all of these aspects in order to offer a comparative analysis of the solutions that different standards have provided in this field; (ii) to provide an effect analysis especially with reference to the business impact and the cost-benefit analysis in adopting the standards recently issued by IASB (principally IFRS 10¹).

The study will be based on a logical sequence and, therefore, it is mainly divided into 3 parts:

The paradigm underline the first part is principally the conceptual one and it provides several definitions so as to understand what is a “group” and which entity of the group shall present the consolidated financial statements.

In this regard it is indispensable to comprehend when the control exists in order to determinate which entities the consolidation area should include: identify the consolidation area means identifying the entities of the group whose financial statements must be submitted to the consolidation process.

In accordance with the International Accounting Standards, the key principle through which define the consolidation area is the control concept. Thus, the attention will be focused on this concept and on the different meanings that it acquires (law n. 127/1991 vs IAS 27 - IFRS 10).

IFRS 10 replaces IAS 27 – SCI 12 and redefines the control concept. Therefore, this phase aims also to point out the main differences between IFRS 10 and IAS 27, highlighting the main theoretical implications that will arise from the application of this new standard.

The second part will be focused, firstly, on the contents and the structure of the consolidated financial statements with reference to several accounting items (i.e. earmarked reserves, valuation reserves, capital stock, retained earnings, provision for contingent charges) and, secondly, on the formation process techniques of consolidated financial statements according to both the Italian Gaap and the International Accounting Standards (law n. 127/1991 vs IFRS 10 - IFRS 3).

During this step it will be provided a critical review of the different theories in order to highlight the features of each of them, also with regards to the disclosures provided to the investors.

Lastly, this research project aims to provide a case study based on the control assessment and on the formation processes of the consolidated financial statements of one international group. In this phase the main purpose is to implement an effect analysis in order to analyze the practical implications that will arise from the applications of IFRS 10, mainly with reference to the business impact and cost – benefits of adopting the new standard.

Since IFRS 10 has not been applied yet, the first part of this project tries to evaluate the potential impact in adopting this new standard. During the second part of this project (mainly focused on the formation techniques of the consolidated financial statements) and the third one, the main purpose is to implement an effect analysis in order to point out the real business impact in adopting IFRS 10.

¹ In May 2011 IASB introduced IFRS 10 - Consolidated Financial Statements; this new standard (effective for annual periods beginning on or after 1 January 2013) replaces the previously consolidation guidance provided by IAS 27 and SIC-12.

The role of textbooks in the diffusion of management accounting innovations

Alena Golyagina
NHH, Norwegian School of Economics

Management accounting textbooks are important elements in the diffusion of management accounting knowledge and innovative tools. Popular management accounting textbooks, having either US or UK origin, are sold in numerous copies worldwide and used in teaching in many countries across the globe. Textbooks also indirectly influence teaching styles at universities. In a present paper we take a closer look at three famous management accounting textbooks (Horngren's "Cost Accounting" (US version), Drury's "Management and Cost Accounting" (UK) and a British version of Horngren's textbook edited by Bhimani, "Management and Cost Accounting") in order to assess differences in argumentation style, presentation of material and discourse differences. The study focuses on several management accounting innovations such as activity-based costing (ABC), the balanced scorecard (BSC), beyond budgeting and economic value added (EVA). Using qualitative textual analysis we gain in-depth understanding of the textbooks' content and coverage.

Merging communication structures and travel of ideas frameworks developed by Lukka and Granlund (2002) and Czarniawska and Joerges (1996) we intend to extend our understanding of the role of textbooks as communication channels for new management accounting ideas.

Social Reporting of Private Enterprises in China: Pressures of Challenges and Wings of Development

Guan Jieqi
University of Macau

Purpose – The rise and internationalization of private enterprises in China over the recent years has received much attention from international community, not only on their financial performance but also on their non-financial performance, especially on the transparency of their CSR disclosure. Prior researches show the number of CSR reports issued by Chinese enterprises increased sharply in recent years. This study aims to investigate the development process, current practice, challenges and solutions of CSR reporting of Chinese private enterprises.

Design/methodology/approach – This study uses content analysis to evaluate 190 annual reports and 33 social reports of the largest Chinese private enterprises from 14 industry sectors for the period 2006-2010. The results are further triangulated by other tests to ensure reliability and validity.

Findings – The paper identifies the patterns, incentives, drivers and challenges for Chinese private enterprises to disclose social information. The results demonstrate that the Chinese capital market and international business environment lead and drive private enterprises to engage in social reporting. In addition, the policy documents issued by the Chinese Communist Party and CSR initiatives published by Chinese regulatory bodies act as governors to supervise the CSR reporting practice of private companies in China. The finding shows majority eager players in private sectors seldom reach their potential as a good CSR reporting entity. The quantity of social disclosure displayed a sharp increase since 2008 but without noticeable improvement in quality and their CSR reporting level leaves much to be desired. However, obvious improvements have been identified, the effects are mainly from the implications and interaction of stakeholder theory, institutional theory and political economy theory in the world largest socialist economy.

Originality/value – This is the first paper in the Western academia to report, from an indigenous perspective, content analysis results of social reporting by private enterprises in this country. The application of stakeholder theory, institutional theory and political economy theory to explain CSR reporting has been widely discussed and explored in the Western academia and in countries with well-developed capitalist systems. This is the first research to add insight to the interaction of these three theories for explaining the social reporting practice of the largest socialist economy in the world. Finally, this study can educate and draw attention of Chinese enterprises to improve their social reporting quality and provide guidance for their stakeholders to evaluate the social reports objectively.

**An investigation of organisational culture:
A case study of Indonesia's professional accounting firms**

Marko S Hermawan
Victoria University of Wellington

Extant studies on accounting firms have dealt with professional and ethical values, global professional networks, and nation-state organizational cultures. To some extent there is both the possibility and advantage in combining and observing all such factors in research in a specific country, such as Indonesia; a country with a rich diversity of ethnicities, plurality of religions, and rapid economic development. This site also offers the opportunity to observe organizations which have significant foreign business influences as well as local ones.

The objective of this research aims to investigate the extent to which Indonesian professional accountants are influenced by external factors such as GPN, Indonesian cultures and ethnicities, the relationships to which the entity interacts amongst institutional field, as well as intra-organisational factors in the International accounting firms in Indonesia. The intra-organisational manifestation is often translated as norms and values that socially constructed by its members within the organisation in order to seek legitimacy. These dimensions are thus combined in an institutional manner, in order to explore the possible factors that influence accounting professionalism in Indonesia.

This research involves observing accountants as an “actor-centered” approach, observing and documenting his/her backgrounds which focuses on professional developments in the organisation and cultural backgrounds. The spirit of this study is also investigating possible ethnic impacts in the International and mid-tier firms from the “native point of view”. It is suggested that this approach is likely to be the most appropriate when exploring organization within multi-ethnic dimensions. In addition, the current studies in institutions are considered to be Western driven and others believe the application may not be appropriate when explicating a particular case in a particular country. A New Institutional Sociology (NIS) is to be employed in order to explicate such phenomenon. The expected contribution is to bridge the gap between existing studies of the GPN and other Western concept of the institutions and the shared cultural/ethnic values within the Indonesian context, embedded in an anthropological approach.

In order to meet this objective, the research question in this proposal for PhD study is: *To what extent do the values of the global professional network, as well as Indonesian national cultures affect the manifestation of accounting professionalism within the accounting firms?* As a subset of this, the project will also examine the extent to which there may be a ‘cultural’ intersection between the elements of Indonesian pluralist norms and beliefs, and the organizational culture of accountancy firms. This necessitates unbundling the plural ethnicities which are characteristics of this research site.

How do management control systems influence innovation?

Yuichi Ichihara
Kyoto University

Background

There are many studies which research the relationship between management control systems (MCSs) and innovation, but the results of those studies are confused. For example, some researchers indicate that formal MCSs, such as accounting controls, hinder innovation (Abernethy and Brownell, 1997, 1999; Ouchi, 1979; Rockness and Shields, 1984, 1988), but other researchers emphasize that MCSs are important for innovation (Bisbe and Otley, 2004; Davila, 2000).

Research Purpose

The purpose of this study is to clarify how MCSs influence innovation.

Literature Review

I reviewed 35 prior researches that investigated the relationship between MCSs and innovation. As a result of a literature review, I find that the tension between MCSs, or inside MCS, foster exploration, learning and innovation (Chenhall and Morris, 1995; Henri, 2006; Horii and Akroyd, 2009; Mouritsen et al., 2009; Sawabe and Ushio, 2009; Widener, 2007). However, it is not clear what kind of the tension foster innovation, how managers should use MCSs to create the tension for innovation, and the process in which the tension foster innovation.

And, still in the middle of a literature review, some researchers argue that it is important for innovation to balance the exploration of new possibilities and the exploitation of old certainties (Katila and Ahuja, 2002; March, 1991).

Research Question

My research Question is what kind of MCSs can get the balance right between the exploration and exploitation.

Research Method

I plan to use mixed methods for this study. I apply an exploratory design to this study (Creswell and Plano Clark, 2006).

Management Accounting in Health Care and Roles of Middle Managers

Shuichi Inoue
Kyoto University

1. Research Backgrounds

The central issue of this research is how management accounting functions as to coordinate organizations in terms of coordinating relationships between managers and medical professionals who operate with high professional knowledge and prides in health institutions. Especially, this research focuses on how middle managers who has a role of bridging top and lower staffs coordinate their organization with management accounting in order to achieve organization goals.

2. Research Design

This research adopts Case Study because I was trying to understand; what management control systems are applied in hospital; how middle managements play a role for accomplishing missions; how middle managements apply management control systems for goal congruence and cascading down in missions. This research conducted interviews to 4 top managements and 13 middle managers in total in a middle class hospital. To top managements, interviews are conducted 10 times and 15 hours and 30 minutes in total. To middle managers, interviews are conducted 13 times and 11 hours and 24 minutes in total.

3. Findings and Future Research

Interview findings: middle managers translate top's notions and understand their roles by own viewpoint through understanding of management philosophy, and they intend active use of management accounting based of cascading down missions. However, this research has not clarified concrete coordination processes yet. In the future, this research will try to resolve these limitations by participatory observation.

**Shareholder activism for climate change:
A new challenge to capitalism or co-opted activism?**

Ben Jacobsen
La Trobe University

Responsible investor (RI) engagement seeks to change corporate strategic priorities whilst balancing the financial imperative. Investor engagement can take various forms such as direct contact with the company as well as more activist forms such as shareholder proposals or exercising ownership obligations (voting on resolutions). One RI fund in Australia, the Climate Advocacy Fund, uses targeted activism. Australia's first climate change resolution was proposed by the fund to Woodside Petroleum Ltd. in 2011. Other engagements in the first year of operation of the fund include with Oil Search Ltd and Aquila Resources Ltd. This period of activism by the fund is used to explore the tension between financial performance and environmental, social and governance (ESG) issues in RI engagement. The research question is:

Was shareholder activism for climate change by the CAF in its first year of operation effectively institutionalised?

An institutional theory framework will be used to explore competing logics within the investment field. This research argues that attempts to effect corporate adaptation to climate change through engagement will be less effective whilst the financial performance logic provides relatively more legitimacy to investors. Logics encode legitimacy and if the challenge to the dominant financial logic is to be successful, RI actors must work to subvert the finance logic rather than integrate ESG. This research will contribute to the literature by applying institutional theory to RI climate change activism, presenting original insights into the potential of engagement to effect change. Qualitative analysis of the case of engagement by the Climate Advocacy Fund will be used to illustrate multiple logics in the field of investment. Data comprises observations from strategic policy group meetings within the fund, and interviews with key actors.

No.17

The Effect of Business-like Behaviour on the Accountability and Core Values of Student Unions in Public Universities: Rhetoric, Actors & Accountability

Joane Jonathan
La Trobe University

Research Objectives:

To understand and explain the changes in Higher Education Sector in Australia & how and why government funding policies for student services changed from 2006-present.

How the Business-like behaviour of Australian Higher Education Sector has affected Student Unions' Values, Norms , Operations and fundamentally their accountability?

What roles do various actors play in the implementation of changes in the higher education sector and the rhetoric used in the process?

How is the system of accountability implicated in the balancing of competing logics and/or values of Student Unions?

Theory: Rhetorical Theory of Diffusion (Green, 2004) and Boltanski and Thevnot's (1999) "Orders of Worth"

Data collection method: Qualitative research using the Case Study method.

Research methods would include documentary evidence, archival records; semi- structured and open ended face-to-face interviews and observations of Student Union board meetings.

The research site: This study involves the participation of various Australian Student Unions from Public Universities, The National Union of Students (NUS) and The National Tertiary Education Union (NTEU).

Potential outcomes: This study aims to contribute to both the International and Australian public sector studies on accountability. To provide greater insights to understanding the role of today's Student Unions and to comprehend how accounting and accountability is implicated in this context.

Corporate social and environment-related governance disclosure practices: Evidence from a developing country

Yousuf Kamal
RMIT University

Corporate governance and corporate social responsibility have been important issues for decades (Donham, 1927; Bowen, 1953; Whetten et al., 2002; Beurden & Gossling, 2008; Jamali et al., 2008; Baron et al., 2011; Garcia-Castro et al., 2010 among others). Jamali et al. (2008) argue that corporate governance and corporate social responsibility should not be considered independently, however there is still a scarcity of research combining corporate governance with corporate social responsibility. Particularly there is lack of research in governance reporting (Solomon, 2010). Parker (2005) also calls for the need for SEA (Social and Environmental Accounting) research in the context of corporate governance.

CSR-related governance is defined as the rules, regulations, policies or structures that an organisation has in place to address matters related to CSR. These plans and policies could be a part of organisations' broad corporate governance practices. The context of the thesis is the garments and textile industry of Bangladesh. The textile and garments sector of Bangladesh is worth investigating as there is evidence of adverse social, environmental and ethical issues; these include the use of child labour, lack of equal opportunities, and poor health and safety matters (Islam & Deegan, 2008; Belal & Owen, 2007). Especially, during the late 90s and early 2000s, there was extensive criticism in the Western media about the working conditions, use of child labour, and poor health and safety issues in the garments factories of Bangladesh (Islam & Deegan, 2008). It is a sensitive sector for the national economy, as it provides almost 80% of the national export earnings and provides employment for about 4 million people, of which approximately 85% are women (BGMEA, 2011). Multinational buying companies such as GAP, JC Penny, PVH, H&M, Tesco, Nike, Wal-Mart, Zara and so forth are sourcing products from Bangladesh mainly due to cheap labour/production cost. Thus it is imperative for the supply companies to follow CSR-related governance practices and disclose these to satisfy global community's expectations as well as to satisfy powerful stakeholders demand. This research would investigate how the pressure from powerful stakeholders and Western criticism had (any) effect on the disclosure of CSR-related governance practices, what actually stakeholders expects from them and why do corporate managers provide these disclosures. This research would explore corporate governance reporting within the broader social and environmental context.

This research would use the legitimacy theory, stakeholder theory and the institutional theory to explain the findings. Legitimacy theory will be used as it is believed that an organisation maintains its 'license to operate' in the society by complying with the expectations of the community. It is predicted that the textile and garments companies of Bangladesh provide CSR-related governance disclosures to comply with global societal expectations which otherwise pose a legitimacy threat. As multinational buying companies are the most powerful stakeholder of the textile and garments companies of Bangladesh, this research also use the managerial branch of stakeholder theory to explain whether stakeholder's power is a motivating factor for corporate disclosure of governance information. Finally this research would use the institutional theory to explain the institutional effect (if any) over the textile and garments companies of Bangladesh.

This research would utilise the annual report content analysis (Krippendorff, 2004) to evaluate the disclosure of CSR-related governance practices. It will develop an index called 'social and environment-related governance disclosure index'. The annual reports content analysis result then compare with the stakeholder's expectations and managerial motivations for the same. Stakeholder's expectations and managerial motivation would be investigated through conducting in-depth personal interviews with the stakeholders and senior corporate managers.

This research would provide some useful insights for CSR managers, multinational sourcing companies and researchers. It is perhaps concluded in this research that CSR-related governance disclosures from local supply companies are really more about maintaining support from multinational buying companies rather than about securing legitimacy. Future research could be directed to further exploring this theoretical debate.

**Assessing the Viability of Australian Football Clubs as Going Concerns from 1980-2010:
Towards a Sustainable Reporting Model**

Kandunias Chris
University of South Australia

The primary reporting principle underpinning the preparation of financial reports in Australia centres on the ability of a reporting entity to maintain its capacity to continue operating and to meet its obligations in the short and long term (ie the assessment of a reporting entity as a *going concern* (as per ASA570)). The importance of the assessment of an entity as a going concern is underlined by the principle forming part of the overall assessment of the financial reports that provide a “true and fair” view of an entity’s position at reporting date (AICD, et al, 2009). The application of the going concern principle is applied to all reporting entities (including Australian Rules Football Clubs¹ (ARFCs) without acknowledgement or reference to any differentiation between the type of industry the entity operates in nor the size of the entity). It is this lack of differentiation within the regulatory and reporting framework in Australia and the apparent subsequent homogenous approach to the assessment of the financial health of entities by external auditors that creates the need to investigate the application of the going concern principle to ARFCs. The primary focus of this project is to identify whether differences exist in the assessment of the going concern status of ARFCs versus traditional reporting entities and seeks to expand on the work of Menon, et al (2010), Green (1994), Schaub (2006) whose studies focus on the assessment of the going concern status of traditional reporting entities. Anecdotal evidence suggests that ARFCs continue to trade even though they do not meet the minimum financial requirements to be assessed as going concerns. This project examines both quantitative data (the financial reports of ARFCs) and qualitative data (interviews with key stakeholders in ARFCs) to offer potential explanation(s) for this phenomena. Nalebuff and Brandenburger’s (1996) work regarding the ability of coepetition theory to explain the behaviour of competitors within an industry is used as the underlying theoretical framework for attempting to identify possible explanations for the anomalous differences that appear to exist when external auditors assess the going concern status of ARFCs versus traditional reporting entities.

¹ ARFCs are the 18 participating clubs in Australia’s major winter sport, Australian Rules Football.

Involuntary Organizational Change and Management Accounting: An Accountability Perspective

Ashfaq Ahmad Khan
University of New England

Current literature on strategic management accounting advocates the significance of ‘strategy facilitation’ on the part of the parent organization in the establishment of efficient management control systems at the subordinate organization. Through this conceptual paper, resorting to the recent strategic changes Australian tertiary sector’s constituents underwent in response to the Australian government’s funding-specific policy changes for the sector, we argue that while ‘strategy facilitation’ by a ‘power source’ works to the advantage of subordinate organizations, ‘strategy imposition’ may work the opposite way. Externally dictated conditions for a change that leave an organization with no option but to submit passively to the pressure and adapt its core organizational elements for the sake of its survival, may result in the organization’s demise in its real essence, as the organization sacrifices its true identity in an attempt to placate the external demand. Accountability dictates that such a change needs to be scrupulously checked and subjected to an independent enquiry before considered for implementation. For objective results, constituents of certain industries should not be amenable to external intervention due primarily to their peculiar agenda of existence. The Australian tertiary education sector underwent some drastic strategic changes in recent times, as the sector’s constituents (i.e. universities) had to adapt and reorient to meet the changed federal government funding requirements in the post-2011 era. Federal government funding policies for universities around Australia have undergone a notable change over the past year or so. With this change we see an impact on universities’ overall objectives and missions. Universities are now more demand-driven as Federal government funding will be based on the number of students enrolled in the post-2011 era. Universities are now concerned about their efficient functioning, in the light of their core objectives of learning, teaching, research, and even survival, under the changed circumstances. The issue has been fiercely debated in universities circles and the media, but no serious attempt has so far been made to empirically investigate universities’ performance in key areas of learning, teaching, research, governance and management, staff and students’ satisfaction, financials, and learning and growth. Several universities, including the University of New England (UNE), have already taken steps to embrace the new era, with ‘effective’ strategies in place. Before this change universities’ primary emphasis was on learning, teaching and research, with ‘federal funding’ concerns in the backseat, while after the above impact, we may witness a ‘sub-optimal’ trade-off between these objectives and the universities’ new set of objectives – self-sustainability, survival and profitability. We argue for an effective intervention from an independent authority under situations of forced changes where a power source, in pursuit of its own peculiar agenda, causes its ‘dependent’ organization(s) to undergo a less than optimal organizational change that would potentially negatively affect not only the organization(s)’ founding principles but also other close stakeholders

No.21

**Accountability as a function
- the effect of budgeting bearing commitment among professionals -**

Yoko Kinugasa
Shiga University

In search of the management control system suitable for hospitals, where its activities are professional-drive, autonomous, and highly interdependent, and also non-profit as an organizational feature, it became necessary to find out the factor which activate management control system in such organizations. Based on the literature review, we infer that accountability, not in a sense of conventional meaning, would play a key role. As for the concrete system, which would be a rhythmic yearly routine activity, budgeting will be the stage for the key factor. Case study will be executed to confirm this inference. The findings the case study will benefit not only hospitals but also for-profit organizations which have the similar features. And also the findings would provide a new fruitful area for the research of management control system.

Effectiveness of Internal Auditing in Thai Local Governments

Arus Kongrunchok
The University of Newcastle Australia.

Corruption in Thai local government results in losses of many millions of baht. This situation is a result of ineffective local government internal control and auditing mechanisms (CGD, 2010; ONACC, 2009). The objective of this study was to investigate the weaknesses of internal control systems (ICSs) in Thai local governments. The focus was on why ICSs continue to be ineffective in detecting and deterring illegal risks, specifically fraud and corruption, by identifying the factors that impede their effectiveness. An anonymous survey and interviews were used for gathering the data from respondents in internal auditing teams within Thai local governments. The results show that there have been weak points occurring within the ICSs, particularly the poor capability of the internal auditing team, the participation in the internal auditing system of officials, and the lack of promotion prospects for internal auditors. The local government internal auditors do not understand complex corruption methods sufficiently to be able to detect and deter them. This and their lack of practical independence and growth prospects in internal auditing (Khoury, 2011; Unegbu & Kida, 2011; Pickett, 2004), results in situations where local government internal auditors will look for individual gain due to insufficiency of their income and resulting poor livelihood as explained by Bandura's (1999; 2002; Cressey, 2011) theory of moral disengagement.

The changing accountabilities of a Sri Lankan NGO

Sanjaya Kuruppu
University of South Australia

Objectives - The central aim of my research is to examine how relationships between the case NGO and stakeholders are formed, maintained and managed through 1) ideas (which include changing understandings of accountability and governance) and 2) processes within the case NGO and between its partners (for example, communication via a social account [external reporting]). The case NGO is currently undergoing a substantial transformation of its operating model. Unlike in the past, the NGO will no longer directly implement any aid initiatives and all future projects will be run in collaboration with or through other partner organisations. These changes raise questions about how or if understandings of accountability, governance and related processes are shifting. The ideas and processes of accountability and governance will be examined in the case NGO and through these relationships.

Social and Environmental Accounting (SEA) literature - There has been a considerable emphasis on environmental issues in SEA literature but social issues have received less study (Parker, 2011b; Bebbington et al. 1999). SEA has had a relatively narrow focus on national practices, regulation and external disclosures. Furthermore, much of this literature focuses on corporate research contexts. There is a great need for more study into SEA issues in a developing country context (Belal and Momin, 2009; Lodhia, 2003). While accounting research into NGOs is growing (see, for example, Unerman and O'Dwyer, 2006a), the present study makes an important contribution to current literature by performing an in-depth case study of an aid NGO and its stakeholders in Sri Lanka (Goddard and Assad, 2006; O'Dwyer, 2005). This study will extend on our understanding of accountability and governance in the aid sector, thus adding to SEA by focusing on social issues.

Theoretical contribution - The in-depth method also enables a richness of field data that will more theoretical insight into established models of accountability. In particular, this study can explore the strength of 'upwards' and 'downwards' accountability (a wider social accountability) (Unerman and O'Dwyer, 2006b; O'Dwyer and Unerman, 2007), and the potential legitimating behaviours and reporting of the case NGO (Goddard and Assad, 2006). The multi-faceted and diverse role of NGOs may unearth unique tensions and balances that can also extend empirical insight into stakeholder theory. Overall, the study aims to explore the need for new imaginations of how we account for and understand organisational accountability, especially when the operating model of the organisation is substantially changing as is the case with the current NGO (Gray, 2002; 2006; 2007; 2010).

Practical implications - Dey (2002) argues that "[d]espite the efforts achieved to date in the accounting literature to engage critical and social issues on an empirical level, the insights produced have yet to reach explicitly into design of new forms of accounting that might achieve organisational change" (p. 117). It is timely to evaluate the impact of foreign aid on the communities it seeks to benefit, thereby garnering an understanding of the challenges and successes of the process. This study will make specific contributions to practice by highlighting potential disparities in the way ideals are translated into actions, and subsequently to performance and reporting. It also gives recommendations for the accountability of NGOs and provides guidance for empowering disaffected communities in developing countries.

**The relationship between controls in control package:
A field study of a Japanese food company**

Yan Li
Meikai University

Purpose: This research aims to understanding the relationship between controls in control package.

Design/ methodology/ approach: Drawing on a case study of a Japanese food company, this study illustrates how different types of controls in control package coexist and operate together. Several studies have suggested that the theoretical concept of “equifinality” (Gresov and Drazin, 1997) is relevant to explain the relationship between controls in a package (Huikku, 2007, Sandelin 2008). This study also focuses on this concept and discusses whether it is explicable for this case findings.

Findings : This study introduces 2 cases, one is ‘lateral interaction between two divisions under an internal transfer price system’, and the other is ‘simultaneous management of quality and cost’. In both cases, one type of control (accounting/result control) causes conflict between organizational members, or between tasks. In the process of resolving such conflicts, another type of control (belief /social control based on shared value) play a significant role. Furthermore, organizational learning such as mutual understanding, shared product strategy and clarified cost reduction target is created through conflicts resolution process.

Contribution: By illustrating detailed relationship between different controls, this study helps our better understanding of why and how control package works in an organization. Furthermore, through focusing on concept of “equifinality”, this study tried to yield insight into the possibility and the limitation of the theoretical concept for explaining control package practice.

Conceptualisation of the Ethics of Accounting through Dietrich Bonhoeffer: A Philosophical Hermeneutic Inquiry

Francesca Lim
Victoria University of Wellington

This study critically engages with the ethics of the discourse of accounting, and the potential contributions that the theological and ethical writings of Dietrich Bonhoeffer (1906 – 1945) can provide. The study seeks to demonstrate how the ethics of accounting can be conceptualised when informed by Bonhoeffer's theology.

Mainstream accounting is underpinned by the ethic of financial utilitarianism. In accounting, the ethic of financial utilitarianism is reflected in its privileging of information requirements of shareholders, its underlying emphasis on profit maximisation, and primacy of monetisation. However, critical and interdisciplinary research in accounting suggests that the ethic of financial utilitarianism in accounting is limited in grappling with the complexities in understanding and reporting on the activities and impacts of entities. It is argued that the emphasis on utility maximisation inadequately deals with multiple and contested political, environmental and social justice issues. Thus, critical and interdisciplinary accounting research extends the traditional confines of mainstream accounting to explore, theorise and envisage alternative forms of accounting. In doing so, researchers investigate the implications for accounting from alternative worldviews and philosophies. Research in accounting and religious perspectives is one such example.

There is a small body of scholarship that engages accounting with Judeo-Christian religious perspectives. Engagements between accounting and Judeo-Christian perspectives began with a sociological approach, where the functions of accounting in religious organisations were investigated. The main theme emerging from early research was that the secular nature of accounting contrasted with the sacred objectives of churches. This came to be known as the "sacred-secular divide". However, subsequent research shows that this divide is problematic and more unified perspectives were presented. There is another strand of research that engages accounting with Christian theologies, thus moving away from sociological investigations of religious institutions to studies on the writings of Christian theologians. In this study, theology is defined as systematic and intellectual reasoning concerning God. My study is within this strand of research, rather than the sociological sacred-secular divide.

With this background, this study seeks to envisage how the ethics of accounting can be alternatively conceptualised when informed by Dietrich Bonhoeffer's theology. Bonhoeffer is an important figure in Christian theology, and his writings are continuously studied and researched. Studies and applications of his writings have gone outside the discipline of theology to include bioethics, law, economics and business ethics. This study will be the first in accounting. The conceptualisations are approached via three themes: (1) nature of the organisation (what is being accounted?); (2) accountability relationships in financial accounting (who are the recipients of the accounts?); and (3) various approaches to accounting and reporting (how can accounting be practiced?)

To carry out the research objectives, the study uses philosophical hermeneutics as the theoretical framing. Philosophical hermeneutics is employed to conceptualise the ethics of accounting through Bonhoeffer's ethics and theology. There are two hermeneutic horizons in that are in hermeneutic dialogue with each other. Hermeneutic Horizon A is the context that forms existing knowledge on Bonhoeffer. Hermeneutic Horizon B shows existing knowledge in conceptualising accounting. In philosophical hermeneutics, the dialogical process begins with the stage of pre-understanding, where the researcher reflects on her historicity, background and prejudices. In this study, the pre-understanding stage is performed through a thorough literature review of Hermeneutic Horizon B. To the extent that is possible, the researcher's own personal historicity, background and prejudices are also made explicit through a continuous process of self-reflection.

Subsequently, dialogues and fusions between hermeneutic horizons A and B are carried out through interpretive and transactional readings of Bonhoeffer's writings, existing academic scholarship on Bonhoeffer

and other relevant materials. Interpretive readings of texts will be carried out in light of the three themes previously discussed: (1) nature of the organisation (what is being accounted?); (2) different accountability relationships in financial accounting (who are the recipients of the accounts?); and (3) various approaches to accounting and reporting (how can accounting be practiced?)

With philosophical hermeneutics, existing knowledge in accounting and Bonhoeffer's theology can be fused, leading to new or different conceptualisations of the ethics of accounting through Bonhoeffer. New or different conceptualisations are formed when interpretations of texts go beyond authorial intentions in order to find new understandings for the texts. The importance of authorial meanings is not rejected, but the creative role of the researcher in producing new applications for the texts is emphasized. In this study, the dialogues between the two hermeneutic horizons lead to new conceptualisations of ethics of accounting through Bonhoeffer and new applications of Bonhoeffer's theology.

**Spirits and Storytellers: Engaging the voices from below in the debate over Enbridge's
'Northern Gateway Pipeline'**

Kathleen Makale
Victoria University of Wellington

My PhD research is focused on stakeholder engagement in a situation of environmental conflict. I intend to investigate how both a corporation and its stakeholders - in particular, indigenous groups - frame or problematize the conflict issue, whether/to what extent those framings are (in)commensurable and the implications of this for accounting. I propose to explore these issues by undertaking a qualitative case study of a corporation and its stakeholders currently involved in an environmental conflict (over Enbridge's 'Northern Gateway Pipeline'), conducting interviews with representatives from different groups to gain an understanding of how 'the problem' is being constructed by these groups, and how engagements and dialogue are taking place between them. I plan to adopt a two-dimensional approach to frame analysis, capturing both the taken for granted assumptions and worldviews that go into particular problematizations, and the strategic elements that come into play when frames are used to target specific groups.

My study can be divided into three interlinked parts: The first focuses on the issue of sustainability/environmental conflicts and how these involve contested framings, value conflicts, uncertainties, etc. (addressing 'unconscious' framing aspects). Prior research suggests that corporates often approach environmental conflicts through a 'Western' neo-classical economic model that is fundamentally at odds with indigenous worldviews. However these differences and their implications for accounting are not well understood. Focusing on corporate perspectives in relation to that of indigenous stakeholder groups should allow for exposure and exploration of differences in framings as a result of different knowledge systems. This discussion will examine neo-classical economic/indigenous ways of viewing the world, and the extent to which they are (in)commensurable (e.g. involving deep value or other differences). Care will also be taken to identify different perspectives within both the corporation and particular stakeholder groups.

The second part will examine how decisions/action strategies anticipate and reflect different perspectives i.e. what strategies are employed by the corporation in 'engaging' or 'dialoguing' with the indigenous groups, and vice versa? For example, I would also like to explore whether/how each of the parties to the conflict moves between different knowledge systems: Is the 'conflict' translated from one knowledge system into another when groups interact? Is this even possible? To what extent, if at all, do groups feel ethically or otherwise obliged to interact according to the terms of the other's knowledge system?

Finally, I will link this discussion back to the overarching theme of my research, dialogic accounting, by exploring the implications of different knowledge systems for accounting and accountability systems.

Research Questions (working version):

How is the issue (of the pipeline) constructed, or framed, by different stakeholder groups, and how are these frames influenced by underlying worldviews (e.g. assumptions, norms, etc.)?

To what extent are these frames (in)commensurable?

How are these frames implicated in the different action strategies (both formal and informal) employed in engagements?

Does one frame emerge as dominant in this type of environmental conflict?

Do some groups change their 'language' in order to engage? If so, why and what are the implications?

What gets 'lost in translation'?

How would/could/should dialogic accounting allow for fundamental differences in the way various parties to a stakeholder dialogue understand the world?

No More Than Comfort? Towards a critical explanation of the 'grip' of cost-benefit analysis in a New Zealand public policy decision

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Victoria University of Wellington

My PhD project proposes to investigate the narratives of cost and cost-benefit in the public policy decisions and surrounding public debate in New Zealand over the funding of Herceptin for early HER2-positive breast cancer between 2006 and 2008. Motivated by the apparent contradiction between the long-acknowledged issues with cost and cost-benefit analysis (CBA) and its perception as a rational, objective tool with a continued authority – even dominance – in decision-making, my PhD research project proposes to explore CBA's continued 'grip'.

Existing critiques of CBA have tended to focus on either the technical difficulty of calculating a 'correct' output value of cost-benefit, or its problematic social and political assumptions and outcomes. Taken together, these critiques question CBA's objectivity and neutrality as a decision-making technology, but the literature has yet to consider the affective and emotional dimensions of how it nevertheless retains a firm hold on the public imagination as having these attributes. It is this gap that my project proposes to address.

To understand further how CBA's narrative 'grip' has taken hold, how it plays out and its consequences, I propose to undertake a qualitative study using documentary analysis and participatory action workshops to develop genealogical understandings of: 1) how cost-utility analysis (a CBA variant), became entrenched as the accepted basis for assessing public policy options; 2) how that was challenged and defended in the debate over funding Herceptin; and 3) the consequences of these.

To analyse the resulting data, I propose to take a post-structural critical discourse theory approach, employing Glynos and Howarth's (2007) Logics of Critical Explanation (LCE) as my theoretical framework. This framework suggests that we can characterise any social practice or regime of practices – such as CBA – through three inter-linked and mutually constitutive logics: social, political, and fantasmatic. Social logics relate to the 'norms' or 'rules' of a particular practice, whilst political logics are concerned with contestation, resistance and change. Fantasmatic logics offer a way to help us to understand why particular logics have more 'grip' or impact than others through engaging with the affective and emotional elements of a subject's identification with particular fantasies of a promised 'fullness to come'.

LCE is based in a post-structuralist ontology and relies on two key presuppositions: 1) that "all practices and regimes are discursive entities"; and 2) that "any field of discursive social relations is marked by radical contingency", i.e. there is an "inherent" (vs. contextual/situational) instability of identity (Glynos & Howarth, 2007, p. 109). This means that any promised 'fullness to come' is illusory, as this is incompatible with radical contingency – no state of affairs can be inevitable or natural in this ontology. However, this notion is psychologically uncomfortable, so we attempt to 'close down' the gap left in meaning by this instability and fix it 'once and for all'. To do so, individuals make identifications with specific discourses or ideals. Here, LCE draws on psychoanalyst Jacques Lacan's work on identity and identification, to utilise his ontology of '*jouissance*' in describing the affective experience subjects undergo in the act of identification with particular discourses. This affective dimension remains outside of discourse and is related to the promised 'fullness' resulting from the attempted but impossible closure of the 'gap'. Lacan's translators to English have typically rendered *jouissance* as 'enjoyment', though this may be misleading as it is "often – though by no means always – consciously experienced as suffering" (Glynos & Howarth, 2007, p. 107). Thus, whilst some might experience, say, revulsion at CBA's monetisation of the environment, this revulsion elicits a particular mode of *jouissance*. Fantasmatic logics tap into our existing mode/s of *jouissance*, helping to frame our response to both routine and novel experiences.

It is my contention that the 'common-sense' view of CBA as rational and objective is related to a fantasy of a promised 'fullness to come' of a 'correct' allocation of resources, the technical critiques of cost and CBA to a fantasy of finding the 'correct' calculation and their socio-political critiques a fantasy of a promised 'fullness to come' of a 'correct' social/political process or outcome. What has not yet been explored is how these and other fantasmatic logics around CBA activate particular mode/s of *jouissance* and so help explain its 'grip'. It is this aspect that is of most interest to my proposed study.

It is my intention to explore this through identifying the political logics at play in the debate, then tracing

the relationship of these to associated social and fantasmatic logics and their consequences. Of particular interest are logics of equivalence and of difference, which are concerned with boundary-drawing – with equivalence denoting inclusion (i.e. ‘with us’ or ‘like us’) and difference denoting exclusion (i.e. ‘against us’ or ‘unlike us’) (Glynos and Howarth, 2007; Laclau & Mouffe, 1985) – for it is here that the three types of logic are most explicitly stated by participants.

Investigating the implementation of management control in a Central Bank reform process

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This research project investigates the implementation of management control reform in the central bank of Bangladesh (the Bangladesh Bank; hereafter referred as BB). The Government of Bangladesh and the World Bank (WB) had initiated the Central Bank Strengthening Project (CBSP) to strengthen the capacity of the BB. The CBSP is an intended broad-scale organisational change initiative in the BB. As part of the CBSP, a performance measurement system (PMS) is implemented in the BB to promote and reward employees based on performance and efficiency. This research investigates how the PMS is implemented and how it affects the employees of the BB.

Brehm (2008) argues that a normative approach based on international best practice may fail to bring financial stability in many developing countries because it neglects the role of the institutional embeddedness of financial sector reform. This research will investigate how local institutions, powerful stakeholders and political environment affect the implementation of a management control reform. The discussion will demonstrate how change processes and resistance to change became manifest and were managed during the reform process. There is little research which looks at the interplay of international best practice reform agenda and local socio-political institutions of developing countries (Brehm 2008). This research aims to contribute to this end.

This project uses an interview-based case study approach. The employees of the BB, Ministry of Finance and WB are interviewed during 2011-13. Newspaper articles relating to BB, internal memos and circulars of BB and other official reports over the entire period of study are analysed. Evidence will be interpreted within a theoretical framework provided by New Institutional Theory (NIT) and Transformational Agency Theory (TAT). These theoretical frameworks will be useful to explain the reasons for adopting management control reform, the process in which the reform was implemented, the way individual work life is changed, how the management practices are changed or unchanged during and after the reform and the role of change agents in the evolution, maintenance and mediation of the MCS in the BB.

It is often argued that theoretically sound macroeconomic policy reforms in developing countries do not achieve their intended outcome. The success of international best practice management control initiative depends on how its implementation accommodates the local institutional environment, cultural aspect and interests of local agents. This project investigates the process of implementing the PMS in local setting and the resulting outcome. Bartley (2010) called researchers to explore how standards are filtered, renegotiated, or compromised as they enter particular political jurisdiction. Such knowledge will inform what local factors should be considered and managed to get the intended result of reform initiatives.

The Implementation of Environmental Management Accounting (EMA) System and Environmental Reporting (ER) Practices: A Social Issue Life Cycle Perspective

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While the pressure of legitimacy was found to greatly influence companies' environmental reporting (ER) practices (Wilmshurst and Frost, 2000; Deegan et al., 2002; Nik Nazli and Maliah, 2004; Brammer and Pavelin, 2006; Romlah, 2006; Sharifah, 2010; Bouten et al., 2011), being environmentally responsible is not necessarily reflected through positive and descriptive environmental disclosure. Unless companies begin to truly commit to upholding 'environmentally responsible', the issue of incompleteness and incredibility of ER will remain. It would be logical to assume that the lack of relevant accounting tools to account for environmental information may result in companies to report only narrative environmental information. This is because, conventional accounting systems do not support the generation of environmental information (Burritt et al., 2002). Indeed, such inadequacy has been driving the development of Environmental Management Accounting (EMA) system to assist companies to manage their environmental performance (Burritt et al., 2002; Schaltegger et al., 2003; IFAC, 2005). However, this does not necessarily mean companies that have implemented the system would disclose quantified environmental information. In particular, it has been pointed out that EMA information was largely used for internal decision making purposes (Masanet-Llodra, 2006; Criado-Jimenez et al., 2008). In this, being 'transparent' is perhaps the main challenge of most companies to stay legitimate. Using legitimacy assumption as interpretive lens, companies in any case may avoid disclosing their business environmental impacts as such will lead to an adverse inference to be drawn by the stakeholders. Moreover, on a global scale, to date, there is no generally accepted accounting standard on ER, leaving companies free to disclose any kind of environmental information. On the other hand, perhaps motivated by the sustainability initiatives, there has been a significant increase in stakeholders' demand for environmental information in recent years (Burnett and Hansen, 2008; Raiborn et al., 2011). In this connection, the value of ER as a platform to report companies' environmental performance is doubted if ER is merely a *'public relations exercise'* (Ferreira, 2004). Thus, using a *social issue life cycle theory* as theoretical underpinnings, the paper aims to examine the relationship between the extent of EMA implementation and ER practices.

**The Australian Not-For-Profit Regulatory Reforms:
The impact of the changes in accounting practices on the preparers of financial reports**

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Purpose

The Australian Not-for-Profit (NFP) sector is experiencing unprecedented regulatory reforms in regards to its financial reporting. One of the aims of these reforms is to improve the accountability and transparency in the NFP sector. As a member of a group of practitioners experiencing firsthand the upcoming NFP reforms, anecdotal evidence has revealed that preparers of financial reports have different views and responses on the impending reforms, in particular on the change in their current accounting practices towards the advancement of the accountability and transparency of the Australian NFP sector. This research project will investigate the impact of the NFP reforms on financial accounting by first identifying the views of preparers of charities' financial reports on the upcoming NFP financial accounting reforms; second, it will look at the responses of preparers in regards to the change in accounting practices. The main research question is: How the Australian NFP regulatory reforms will impact on the NFP financial reporting and accounting practices of Australian charities, from the preparers' perspectives?

Design/Methodology/Approach

This research project will take an interpretative approach to explain how the preparers experienced the NFP reforms, in particular the change to the accounting practices of financial reporting. The research methods used will be mixed: first, a content analysis of submissions to the Australian Government's consultation papers regarding the NFP reforms on financial reporting; second, six multiple case studies of charities (interviews with key persons in charge of preparing NFP charities' financial reports). The sample of the interviewees will be selected from the content analysis and also from the research's personal contacts. The new institutional theory in particular, the coercive, mimetic and/or normative isomorphism (DiMaggio & Powell, 1984) will be used at the early stage of the research project to provide a lens through which the views and responses of economic resource dependent Australian NFP charities will be analysed.

Research limitations

The limitation of the content analysis is the scope and scale: the difficulty will be to select which consultation/discussion papers to analyse, whilst the interviews will be narrower in scope than the content analysis but will benefit from depth and richness of the data. The sample selection may be however bias, as it may not include passive yet concerned charities on the impact of the upcoming Australian financial reforms.

Practical and social implications

Whilst the research project will focus on charities, the findings are expected to provide insights on how these reforms will impact on other groups of the Australian NFP Sector.

Exploring Resistance and Reflexivity towards IFRS and AAOIFI Standardization Projects

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The hypothesis that accounting as a neutral unbiased technology has long been rejected by scholars because in practice accounting is influenced by various factors, including political and economic interests of particular groups in society (Lehman and Tinker, 1987, Cooper, 1980, Susela, 1999). As a response to the unsuitability criticism, there has been an increasing interest to develop accounting concepts and standards from the Islamic perspective in recent years such as through the Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI) project that aimed at harmonizing international accounting standards to comply with Islamic principles (AAOIFI, 2010/1432H, p. xvii). However, AAOIFI project as any harmonization attempt has faced a number of challenges, primarily the lack of acceptance of the AAOIFI standards by various accounts preparers in many Muslim countries such as Indonesia, Pakistan and Malaysia (Wan Abdullah et al., 2011, Vinnicombe, 2010, ACCA, 2010). On the other hand, IASB has been aggressively promoting IFRS adoption and proving the effort to show an encouraging impact shown in many EU countries, U.S.A., Australia, China, New Zealand, including Indonesia (Barth et al., 2008, Jeanjean and Stolowy, 2008, Doukakis, 2010, Tsalavoutas and Evans, 2010, Cheong et al., 2010, Schleicher et al., 2010, Bartov et al., 2005, Wardhani, 2010). Nonetheless, several others find the opposite or even reject the idea of the standardization (Papadamou and Tzivinikos, 2013, Li, 2010, He et al., 2012, Walker, 2010, Muhammad, 2003).

Islamic finance presents several unique characteristics (Karim, 2001, Ibrahim, 2007, Haniffa and Hudaib, 2007, Haniffa, 2011, White, 2004) and it is in predicament to continue using the financial reporting standards issued by AAOIFI or to adopt IFRS completely. Amidst this uncertainty, two competing approaches are proposed; first, a call for the abandoning of AAOIFI standards and adopting the International Accounting Standards issued by IASB. The other approach considers that reverting to IASB standards will be fruitless because IASB does not recognize the political, economic and social constraints that exist in the attempt to develop 'Islamic accounting'. It neglects the discussion on the role of accounting from an Islamic perspective at both micro and macro level; hence, the call for establishing accounting standards based on Shari'ah (Haniffa and Hudaib, 2002, Mulawarman, 2009, Triyuwono, 2004). Following Weber's conceptualization of society, the socio-economic and political context of a society provides the predominant measurement to lead organizational actions which is in this study, may involve bureaucratization and political arena when determining financial reporting standard adoption. Out of three causes of bureaucratization according to Weber, the most important factor is due to competitive marketplace. However, competitive marketplace is no longer the main cause, rather, organizational fields are becoming more homogeneous over time or through a process that is called "isomorphism" that operates through different mechanism such as coercive, normative and mimetic which occur between institutions in the arena (DiMaggio and Powell, 1983, DiMaggio and Powell, 1991, Meyer and Rowan, 1977, Scott, 2005, Smith et al., 2011). Arena concept brings neo-institutional theory to describe interaction among individual actions and institutions that are involved in the politics, the amplifiers, the setters and the industry at all levels to investigate the existence of neo-liberalism as claimed by Rosser (2009) and (Robison, 2004). The preliminary analysis shows antecedents of IFRS and AAOIFI adoption in Indonesia. It also shows how Islamic Financial Institutions (IFIs) are influenced by the process of management as well as the surrounding environment. These early findings illustrate that IFIs in Indonesia are consistently applying Shari'ah based financial reporting standards but within an ever increasing pressures towards shifting towards IFRS. The pressure is becoming more amplified by various actors inside and outside the country putting IFIs under permanent pressures for convergence or face the challenge of survival.

The possibility of ‘Narrative Accountability’ in Non-Profit Organization

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‘Accountability’ means responsibilities to explain when you are asked. However, in management studies, while it might be only in Japan, ‘accountability’ means ‘responsibilities to explain by accounting’. This suggests the main device for discharging accountability is accounting. Recently, accounting research using perspectives of sociology and philosophy have been revealing problems that accounting dominates accountability, and these research proposes the new form of accountability which regards ‘narratives’ as the main device for implementing accountability to release accountability from such problems. Here, I call this new form of accountability ‘Narrative Accountability’. My research aims to reveal problems which are generated in organizations when superiors measure performance of their subordinates by using accounting numbers, through interviews and observation in organizations. And then, my research aims to inquire possibilities of ‘Narrative Accountability’ in organizations.

When I inquire possibilities of ‘Narrative Accountability’, I select non-profit organizations as sites where I conduct interviews and observe in practice. Compared with a business company where accountability has been dominated by accounting for a long time, non-for-profit organizations are the sites where optimization and profit-first principle represented by New Public Management has been introduced and accounting has been dominating accountability recently. Furthermore, prior research suggest that workers in non-profit organizations like hospitals and social care houses have powerful professional minds, and they want to implement accountability not by numbers like accounting numbers but by narratives, however their superiors have to implement accountability for their funding organizations by accounting numbers. In other words, there is ‘decoupling of accountability’ between inside and outside organization. Thus, in such a case, ‘Narrative Accountability’ might have the possibility as the concept of comprehensive accountability that mitigate and solve this ‘decoupling of accountability’.

Through my research, the limits of accounting and the significance of narratives in implementing accountability might be revealed from a practical viewpoint.

The impact of eco-efficiency consciousness in a Japanese company on the design of a management accounting system (MAS) – The case of Panasonic

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Introduction: The business environment has changed over the last few decades due to advancements in technology, global competition, and changing customers' demands (Zimmerman et al. 2001). In recent years, another factor known as 'eco-efficiency' has emerged. With fast diminishing natural resources and increasing costs, numerous organisations now aim to produce eco-efficient goods to respond to increasing demand for such products. As stated by Burns and Scapens (2000), any significant change in the business environment such as increased demand for eco-efficient products requires organisations to change or modify their existing strategies and internal systems, including their management accounting systems (MASs).

The eco-consciousness of customers and companies towards products and services reflects the requirements of international environmental treaties, such as the Kyoto Protocol which are imposed on countries to reduce waste and greenhouse gases. With demand to reduce global warming, many industrialised countries are now firmly committed to take actions towards sustainable living (UNFCCC, 2011). The increasing emphasis on a low-carbon economy, and the incentives provided by schemes have forced companies to adopt new strategies in the way they produce and market their products. Such responses inevitably require changes in their MAS.

Japan is well known for its innovative approaches in responding to the changes in the business environment in late 1980's, such as JIT, TQC, Target costing, and Kaizen (Monden and Hamada 1991, Monden and Lee 1993). Similarly, Japan is compliant with the Kyoto protocol since 1998. Japanese companies have also responded positively to the demand for eco-efficient products and introduced numerous technologies, methods and techniques in their businesses, to produce eco-efficient products. Subsequently, many of these companies have changed their existing MAS for example, material flow cost accounting (METI 2007).

Motivation and Purpose: This research identifies and examines innovations to the MAS used by Panasonic Corporation (thereafter Panasonic). Panasonic is acknowledged as a leading global sustainable organisation (SAM 2012). This study illustrates how Panasonic, using its MAS responded to customers' demand for eco-efficient products. It is important to research this process to increase understanding of how a sustainable society is achieved.

Method and Methodology: Content analysis is used to investigate a body of material of Panasonic. This research observes changes over the periods prior to and after the Kyoto Protocol. A single case study allows a deep analysis. The nexus of management accounting and environmental issues are investigated. The contingency approach used by Haldman and Lääts' (2002) is applied. The notion of 'conscious cultural evolution' (Birkin et al. 2005) complements the framework to give a rich contextual description.

Significance: The Panasonic case contributes to inform how a Japanese company deals with changes in its business environment. This research illustrates the reasons for operational changes and in what ways these changes affect the MASs. This research thus will contribute to the topic of management accounting change.

Anticipated conclusion: It is anticipated that the consequential impact of eco-efficiency consciousness has grown largely owing to a response to the eco-efficiency demands of society. This internal driver of eco-efficiency consciousness inspires Panasonic to advance its products further towards eco-efficiently. Furthermore, constructing an essential corporate culture may be a potential factor for transferring Japanese MASs, because it would give strength and competitive benefits for organisations. For Panasonic, the founder's management philosophy binds the morale of employees.

Accrual Accounting in Indonesia: A Public Reform Model of Implementation

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Adoption of accrual accounting system in government entities is an indispensable technology in public sector reforms (Hood, 1995, Olson et al., 1998, Guthrie et al., 1999, Lapsley, 1999, Christensen, 2002). Several supranational organizations, such as, the International Monetary Fund (IMF), the Organisation for Economic Co-operation Development (OECD), and the World Bank play a significant role in the proliferation of the idea of accounting reforms (Pina and Torres, 2003). These international organisations have been promoting the adoption of such system (Ellwood and Newberry, 2007).

There are some rational explanations for the adoption of full accrual accounting, however the opposing arguments are intensifying in the last decade (Christensen, 2007). Furthermore, many empirical research do not support thoughts giving priority to the adoption for full accrual accounting over cash accounting (Carlin and Guthrie, 2003). However, such system is still adopted by several countries, such as Australia, Finland, Japan, Netherland, New Zealand, Portugal, Sweden, Switzerland, United States, and United Kingdom (Carlin, 2005, Pollitt and Bouckaert, 2011).

Likewise, since 2010, Indonesia initiated the implementation of full accrual accounting system, as stated through the President Regulation of Governmental Accounting Standard (GAS) No. 71/2010. Indonesian public sector reforms are often associated to New Public Management (NPM) as the underpinning framework (Marwata and Alam, 2006, Mimba et al., 2007, Harun and Kamase, 2012). The research question to be addressed is to what extent are the processes of the Indonesian public reforms in respect of the implementation of full accrual accounting support the characteristics of NPM?

New Public Financial Management (NPFM) (Olson et al., 1998) is used as a part of NPM concentrating on accounting and financial elements. There are five elements of NPFM, namely (1) the development of market-oriented management system; (2) the development of the budgeting system; (3) the reform in government financial reporting system; (4) the reformation in public sector audits mechanism; and (5) the development in performance management systems in government entities. However, based on a review of the regulations underlying the Indonesian reforms, it appears that there are several contradictions in the Indonesian reforms when compared to the NPFM precepts and also from scholar's notions regarding how NPFM should ideally be implemented.

Three research objectives are proposed. The first is to evaluate the motives of Indonesian public sector reforms through interviewing accounting regulators, such as parliamentarians and government officers and accounting standard setters. The motives identified by this research may provide empirical evidence to explain the particular trajectory of the implementation of public reforms in Indonesia. The second is to identify the extent of adoption full accrual accounting in the Indonesian government.

The third objective is to explain the framework underlying the full accrual accounting adoption in Indonesia's public sector by testing three big models of public reform by Pollitt & Bouckaert (2011), i.e. New Public Management (NPM), New Weberian System (NWS) and New Public Governance (NPG).

As academic literature and formal government documents which provide evidence regarding the motives and framework of Indonesian public reform do not exist, this research uses the interview method to collect data. The collected data will be analysed to reconstruct the framework of Indonesian public reforms. Semi-structured interviewing is utilised to reveal the motives and to understand of public reform's concepts in developing regulations relating to accrual accounting adoption. A list of interview questions will be used as a guideline, however to keep the interviews flowing in a natural way, the questions will not be used strictly to allow interviewees to feel free to reveal relevant or sensitive information as much as possible.

Twenty (20) interviewees will be selected from government officers or accountants who have been involved in establishing public reform regulations and setting accounting standard. These participants have significant positions in offices which have initiated public sector regulations, such as parliamentarians, the Indonesian Ministry of Finance (MOF), the Ministry of Internal Affairs (MIA), the Supreme Audit Institution of the Republic of Indonesia, and the Committee of Government Accounting Standards Setters.

Understanding Accountability Practices of Professional Groups by Exploring Interlinkage of Profession, Knowledge and Jurisdiction: A Case Study of Australian Public Sector

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The contention that accountability is contested, complex, abstract, ambiguous and contradictory concept is well established in the accounting literature (Day and Klein, 1987; Fowles, 1993, Parker and Guthrie, 1993; Sinclair, 1995; Ahrens, 1996; Barberies, 1998; Mulgan, 2000, Roberts, 1991; 1996; 2001; Lindkvist and Llewellyn, 2003; Bovens, 2005; 2007; Messner, 2009, Funnell, 2001; Ezzamel et al., 2007; Crofts and Bisman, 2010; Smyth, 2012). Potentially, part of this problem may arise from researchers examining differentiated realities without clearly stating the “worlds”, “realms”, or “order” to which specific concepts of accountability pertain (Llewellyn, 2007, p.64). However, we do not yet fully understand how these different notions fit together and shape accountability practices of professional groups at organisation and inter-organisational levels. In order to address this gap in the literature, the thesis approaches accountability as a socially constructed and contested notion. Therefore, this thesis will explore how notions of accountability are practiced in light of profession, expert knowledge and interorganisational network literature (Abbott, 1983; 1986; 1991; 1995; Llewellyn, 1998; Kurunmaki, 2004; Jacobs, 2005; Neu, 1991; 2006; Cooper and Robson, 2006; Edwards et al, 2007, Sikka, 2008; Romzek et al., 2012). Both practitioners and academic scholars could benefit from a fuller understanding of how professional groups negotiate and discharge their accountability at both organisation and inter-organisational levels, how profession, knowledge and jurisdiction interact to create tensions among professional groups, what implication these tensions have on their multilevel accountability practices and finally, what implication these multifaceted practices have on overall public interest management and good governance not only for Australia but also for many other jurisdictions around the world.

The thesis theorise accountability as a *doxic* concept and the public sector as a *field* where different professional groups at varying levels struggle to impose their professional values or *habitus*. Therefore, the ambiguity in the existing literature is understood and addressed from the perspective of these struggles by adopting Bourdieu’s theory of practice: *habitus, field, doxa, social capital, symbolic power and strategy* (Bourdieu, 1977; 1984; 1989). Given the nature of research problem, the thesis pursues a multiple case study design to understand the tensions among professional groups and how these tensions are managed. Consistent with the purpose of the case study research the aim of the thesis is to understand complex accountability dynamics within public sector organisational and interorganisational contexts (Yin, 2003). To select cases appropriate for the thesis, five organisations from three levels of Australian public sector, such as local, state and federal, is considered that use high level of contracting or outsourcing in the areas of human services, housing, health, aged care and community development. Data will be collected from semi-structured interviews with professional groups at varying levels of these organisations and interorganisational networks.

**Lesson to be learning:
The Cost of Corruption and Abuse of Power**

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University of Wollongong

The Watergate scandal and resulting resignation of President Richard Nixon in the early 1970s, is arguably the most egregious instance of corruption at the highest levels of government in the history of the United States (U.S). The scandal revealed a disturbing pattern of misuse of corporate funds for improper or illegal purposes by U.S companies, domestically and internationally (Loomis 1980). Bribes and questionable payments had become the norm of business practices and it was apparent that the “system of corporate accountability which has been designed to assure that there is proper accounting of the use of corporate funds” was frustrated (Securities and Exchange Commission 1976, p.a; Bathen 1978). A series of hearings in response to these issues, made it apparent that legislation was required to address corrupt activities. The United States became the global leader in the fight against corruption in international business with the passage of the Foreign Corrupt Practices Act (FCPA) in 1977 as the first legislation in the world to recognise and seek to curb the contribution of domestically based corporations to foreign corruption (Krever 2007-2008). It was determined that the most significant goal for future legislation to deter corporate bribery was to be “the establishment of a system of controls ensuring general corporate accountability” (Lacey & George 1997-1998, p.133). The importance of the Act is also its ability to “affect the governance and accountability mechanisms of most major corporations, the work of their independent auditors and the role of the Securities and Exchange Commission” (Goelzer 1979, p.4). However, as mentioned by Giudice (2011, p.351), “the FCPA was a largely symbolic exercise at first, [and] referred to by some commentators as a legal sleeping dog”. The proposed bills reflected “a cautious approach to this immense problem” (United States et al. 1976, p. 28) leading to “a more loose, flexible framework for disclosure... than lay[ing] down detailed, mandatory guidelines” (United States, Congress, House of Representatives, Committee on Interstate and Foreign Commerce, Subcommittee on Consumer Protection and Finance 1976, p.29).

Accounting and Emotionality

J M Runnalls
Macquarie University

This paper explores the budgeting process within an Australian, small, innovative, entrepreneurial information technology organisation over a twelve month period. How are accounting controls explicitly designed to achieve positive behaviours, how does this process work, is it consistent in its effects upon employees or across business units, what are the unanticipated by-products or consequences, what happens to employees and employers when controls are designed to create trust and creativity? In contrast to the view that sees accounting controls as impermeable and rigid, this paper posits that they are (or can be) permeable, ambiguous, emotional and negotiated in nature.

Initial findings supports the view that when there is coherence between the values of the owners and the interpretive schemes, design archetypes [accounting and accounting controls] and subsystems (Laughlin, 1991) an organisation can be very resilient, even in the face of volatile market conditions. The innovative approach to budgeting (adapted from software development methodologies) known as ‘Agile’ is one of the initiatives developed by this organisation that reflect the values of the owners of the organisation providing coherence for employees, directors and owners alike.

Two other interesting themes have emerged from the data that I will discuss at the conference: first, could emotionality have agency within organisations; and second, how does the relationship between accounting controls and cultural values impact the organisation’s effectiveness and consistency in achieving stated objectives?

Finally, one interesting conclusion to emerge suggests that accounting researchers would do well to recall “*that people at work don’t perform, they behave*”, Weiss (2002, p. 181).

**Accounting for research in an Australian Public Sector University:
A case study on the impact of Excellence in Research for Australia (ERA)**

Ann Sardesai
Queensland University of Technology

The Australian Higher Education Sector (AHES) is a major contributor to the country's national research effort. Australian universities receive the bulk of their research income from the government through public funds administered by the Australian Research Council (ARC). With research funding being increasingly tied to assessments of research performance, and becoming very competitive, achieving research excellence is vitally important to universities and academics. The implementation of ERA was expected to increase the quality and national/international reputation of Australian university research through evaluation and improved governance arrangements (ARC, 2008). This study explores the potential of ERA to foster strategically oriented Management Accounting (MA) technologies and techniques in the form of Performance Management Systems (PMS) designed to achieve and measure research excellence. The purpose of the study is to analyse the processes of PMS, the effects of organisational change in the operationalisation of ERA and its impact through PMS on the working life of academics. This is undertaken through a case study in an Australian University.

Three sources of data are used in this study; (1) publicly available documents which included both policy related, and university related documents; (2) sixteen interviews conducted with senior management; and (3) a survey administered to all academics across the university. Adopting a Middle Range Thinking (MRT) framework (Laughlin, 1995), the study draws on theoretical insights from (1) Habermas' critical social theory (1984, 1987); (2) Laughlin's (1991) interpretation and adaptation of Habermas' critical social theory to organisational change processes; and (3) insights from Institutional theory (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). The interpretation of data in the light of these three theories provides a macro view, with a focus on the wider socio-political context, in which ERA was initiated; and a micro view, with a focus on the case study organisation itself and the response of senior management and individual academics to ERA.

The findings of the study indicate that the ERA environment fostered strategically oriented MA technologies and techniques within the university. As the university was aligned with this approach ahead of ERA, it simply reoriented its PMS towards the specific external demands of the assessment exercise. The ERA assessments in 2010 and 2012 revealed the university's continued to improve its reported research performance. However, the findings of this study also indicate: a heavy increase in the workload of academics; orientation of academics' performance measures on research at the cost of teaching; increasing levels of anxiety and stress; and violations of academic right to free inquiry and research. The research findings bring to the attention of both the ARC and the university, the potential dangers of an uncritical use of ERA and PMS. This can be detrimental to the longer term development of research and academics, as well as limiting contributions to society.

By examining the interpretive schemes, design archetypes and subsystem of the organisation, an assessment of the extent of changes within the workings of the university was undertaken, and has empirically enriched Laughlin's (1991) skeletal framework. The theoretical contribution to MA research is in the area of the use PMS and the consequences thereof, and its impact on the academics. As the research findings related to a single university at a specific point in time, the findings may not be generalisable. However, having concentrated only on changes in PMS in response to a policy disturbance, the study posits other areas of change to be investigated.

Ritual Growth: Performance Management in the New Zealand Public Sector

Shilinka Smith
Auckland University of Technology

Introduction and research question: Performance management systems (PMS) promise much to the public and private sector alike (Lapsley, 1999; Ittner & Larcker, 2001, 2003; and Davis & Albright, 2004). The key to these claims is that good information leads to improved business performance (Van Thiel & Leeuw, 2002). In the New Zealand (NZ) public sector, given the stated benefits, one would expect entities to make full use of the mandated PMS. However, this has not happened. For example, an Auditor-General report (2008) and academic studies noted that only some NZ government departments realise benefits from their PMS (Hutton, 2010, & Gill, 2010). The literature provides equivocal reasons for this kind of result (Liguori & Steccolini, 2012). Explanations range from factors such as vested interests and staff involvement, institutional logics, decoupling and prioritising legitimation over function (e.g. Czarniaska-Joerges & Jacobsson, 1989, de Bruijn & van Helden, 2006, Liguori & Steccolini, 2012, Rautiainen & Jarvenpaa, 2012, Power, 1997 & 2003). After 25 years of developing new factors to explain these results, a fresh approach is needed.

Going back to first principles, my research question asks how ‘performance’, and hence ‘performance management’ is conceptualised and enacted within NZ government departments. I argue that studying actors’ enacted conceptualisations overcomes the limited attention on the notion of performance (rather than measurement or management) both theoretically and in the research field (Johnsen & Vakkuri, 2006, Broadbent & Laughlin, 2009). Introducing Alexander’s (2003; 2006; 2011) theory of performance assists in reconceptualising performance. Key to Alexander’s (2006) theory is the idea that, in highly fragmented societies, creative, emotional and physical enactment in “flesh and blood” is necessary to unify actors and audiences to achieve performance results. My research contextualises those maintaining PMS within entities as actors and other management and staff as the audience. Once audiences perceive a performance as natural and as having no (reasonable) alternative, they will also accept the actor’s descriptions of their role in that performance, because they believe there is no alternative. Adopting Alexander’s theory for PMS research suggests that we examine the creativity needed to give a performance emotional impact and re-fuse actors and audience, as much as the technical or behavioural elements of the PMS itself.

Research Method: Data collection was primarily based on interviews with NZ public servants in three case entities, conducted between March 2012 and March 2013. Public sector accountability documents, internal documents and opportunistic observations were also used to triangulate. The data from the interviews was coded into themes. These themes – particularly those not already well studied in the literature - are currently being analysed for insights from Alexander’s (2003, 2006, 2011) theory.

Summary of results (a tentative summary, based on preliminary results)

Public servants conceptualised performance differently to standard models based on the production of goods and services. They focused on how audiences received messages and enacted them. Alexander’s theory drew attention to the creative and emotional aspects of “flesh and blood” PMS maintenance. It showed the necessity of this aspect of implementation and maintenance to the longevity and benefit realisation of any system and behavioural change.

**Accountants' Understandings of the 'Business Case' for Social and Environmental Reporting:
A Q Methodology Study**

Matthew Sorola
Victoria University of Wellington

A number of writers have recently criticised a perceived narrowness in accountants' understanding of their profession. In particular, they claim, a dominant focus on shareholders and capital markets may be at the expense of wider public interests that accounting should serve. Some of those interests are at the heart of social and environmental reporting (SER). Accountants are important players in the SER field. They have high profile roles as self-proclaimed "thought leaders" in areas such as sustainability and integrated reporting, and are increasingly involved in developing SER concepts and practices, discussion papers and best practice guidance. Through these various activities, the accounting profession implicitly or explicitly positions itself within broader societal debates. Charges have been made by both academics and civil society groups that professional accounting bodies are too closely aligned with business interests, and that they have favoured "business case" framings of SER (BCSER) to the neglect of "stakeholder-accountability" and "critical" perspectives. As in other areas of policy controversy, the framings adopted are important because they impact on, inter alia, the issues that are recognised, how problems are conceived and responded to, and which or whose perspectives are prioritised.

While prior research has explored management and stakeholder perspectives, to date there has been very little research on accountants' perspectives on SER. This study seeks to fill this gap. My research proposes to use Q methodology (QM) to examine understandings of the controversies surrounding BCSER framings amongst three groups of accountants: academics, practitioners and students. I have selected QM for its ability to systematically identify and engage divergent discourses on contested topics. In particular, I am interested in exploring the use of QM as a way of developing dialogic accounting, an approach to research, engagement and practice which explicitly seeks to take multiple perspectives seriously. To this end, the study draws on applications of QM in political theory and policy analysis. The QM study will be combined with a participatory learning and action research (PLA) workshop designed to foster debate on BCSER framings, and to explore the impact of exposure to competing perspectives on research participants' views.

PMS Design and Effectiveness: A Contingency Perspective from the Italian Regional Health Services

Rosanna Spanò

University of Catanzaro Magna Graecia and University of Naples Federico II

Over the last decades the issues relating to the factors that influence the design and effectiveness of Performance Measurement Systems (PMS) in the healthcare context have assumed increasing relevance (Smith 2002; Rosenthal et al., 2004). In this regard, it is worth noting that a contingency perspective can be helpful in detecting what are the factors that may exert influence on the design and effectiveness of PMS. Indeed, a number of papers carried out at the hospital level find out that some factors such as normative pressures, changing in financing system and professionals' role, have had a relevant impact on PMS (Griffith et al., 2006; Jarvinen, 2006; Jacobs et al., 2004; Thorley Hill 2000; Preston 1992; Abernethy and Stoelwinder 1991; Abernethy and Brownell 1999). However, it could be interesting to expand current knowledge on these issues by analysing also what happens at a meso-level.

Hence, by referring to the framework of the contingency theory, the aim of this paper is to understand *what are the factors that possibly influence the choices relating to the design of performance measurement systems and evaluation procedures in the Italian healthcare context*. Indeed, the Italian healthcare sector provides an ideal setting to test and develop contingency analysis by focusing on the meso-level, because here the 90s reforms that introduced managerial tools, such as PMS, completely devolved the organisation and the assessment of healthcare services to the autonomy of the 21 Regional Health Services.

To answer our research question we employed the longitudinal case study method. Drawing on previous studies on the Italian RHSs (Formez, 2007; Caldarelli et al., 2012; Caldarelli et al., forthcoming) a target Region was selected. This is one of the largest regions of the South of Italy, classified by Formez in 2007 as a conservative and bureaucratic one. This Region represents an interesting case study because it has suffered quite turbulent regulatory and political environments, and persistent financial imbalance before 2010. However, the constant inefficiencies led to substantial changes in the management of the Regional Health Service that, over the study period (2007-2011), switched from a conservative and bureaucratic model towards a participative one. Such changing environment allows us to uncovering what are the factors that affected the decisions concerning PMS design and its effectiveness before the changes of 2010 (when the PMS were weak and only formally adopted), and after the changes (when the PMS became more useful and effective).

The issues arising from the interviews and the documentary evidences were interpreted in light of the propositions developed by Chennall (2003) - relating to how contextual factors influence management control systems - adapted in order to render these useful for our analysis. In particular, we focused on the impact that the external environment, the size and the structure (that will be jointly considered), the strategy, and the culture can exert on the configuration and effectiveness of the PMS. We decided to not consider the level of technological evolution, by assuming it constant over the study period. The findings reveal that in the Region examined the *political and regulatory uncertainty* before 2010 negatively affected PMS design and effectiveness, while the *strategy and culture* characterized by transparent and participative approach that were developed after 2010 positively influenced PMS design and effectiveness. In addition the results highlight that *size and structure* had apparently no effects in terms of effectiveness of PMS.

The contribution of this study is relevant either for academics or practitioners, interested in deepening the hidden aspects of performance measurement and evaluation in healthcare, and to understand how they can be improved. However, it is also worth noting that this research could be advanced, either by analysing further Italian Regions and the intra-regional context, or by comparing areas from different countries.

Functional analysis development and industrial policy in Japan

Arata Suzuki
Osaka City University / Kobe University

This research historically investigates how and why Target Costing (TC) activities were constructed among Japanese companies by focusing on the process of diffusion and development of Functional Analysis (FA) techniques in relation with the social context of Japan. The specific meaning of FA given by Japanese manufactures in the social and organizational context in Japanese high economic growth is historically investigated. In other words, I attempt to understand the development of TC activities such as the upstream management and supplier involvement as a social and historical phenomenon.

Discourse analysis on books and magazines, and five interviews to FA practitioners at the time are being conducted. As a provisional result, I suggest that FA had diffused in specific context of modernization in Japan. That is, modernization of purchasing and suppliers.

FA was diffused to large manufactures as one of techniques for modernizing purchasing division in Japan. Year 1955 saw the foundation of the Japan Productivity Center and the start of the productivity movement. One of the main activities of this movement was the dispatch of large numbers of Japanese visitation groups composed of corporate managers to U.S. companies, issuing 'productivity reports' to share their findings. In these reports, the changeover from centralized management to decentralized management was recommended for Japanese corporate managers as a new trend in American management. In this context, FA was mentioned as purchasing technique for modernizing purchasing division.

On the other hand, FA was diffused to suppliers as one of techniques for modernizing themselves. In 1960s, employment structure of Japan had the two extremes of modernized big companies and small and medium-scale enterprises, an independent microenterprises, and agriculturists which has 'pre-modern labor-management relations'. This phenomenon was named as 'dual structure', the one side is already developed and the other side is still developing, and it was recognized as momentous issue for comprehensive development of society. This issue was reflected to the productivity movement, and to explanation of FA. In this context, FA was regarded as a technique for modernizing suppliers by large companies as well as reducing its material cost.

No.43

The management control systems of a Japanese manufacturer practicing responsibility accounting: A case study of Kyocera Corporation and its Amoeba Management System

Hiroyuki Suzuki
University of Manchester

This research aims to explore practices of responsibility accounting in the context of a decentralised Japanese manufacturer wherein administrative reforms are implemented constantly. Especially, the research focuses on the behavioural aspects of managers facing frequent changes in responsibility structure in the form of both financial and non-financial metrics as a consequence of such reforms.

Design/methodology/approach: The research is based on an interpretive case study with a single case site, Kyocera, a Japanese manufacturer of various products such as ceramic components, solar panels, and mobile phones. Specifically, in this qualitative research, 60 semi-structured interviews (120 minutes each) were/ are going to be implemented in two stages. In the first stage, 43 interviews were conducted with the participation of people from various functions such as production, marketing, engineering, quality assurance, and management and financial accounting. In the second stage, 17 interviews with the use of vignette technique are planned exclusively with production and marketing people. At the moment, the research is rather empirically grounded, seeking theoretical underpinning for subsequent data analysis.

Findings: In addition to the detailed descriptions of the management control systems used in the company, descriptive information about frequent administrative reforms such as merger and split of business units, as well as the frequent replacement of managers, was provided by the informants in the first round interviews. These reforms and replacement caused various types of uncontrollable factors for managers, such as decisions made by predecessors, colleagues, or senior managers. As a consequence of the emergence of these uncontrollable factors together with other controllable factors caused by unexpected events for instance, the managers had to hold vertical, horizontal, or historical shared responsibility. Moreover, in such an occasion, the role of not only formal management control systems but also informal control systems was emphasised.

Research limitations/implications: The findings of this research implies the necessity for responsibility accounting literature in the context of constant changes to consider shared responsibility and informal control systems. It also sheds lights on both positive and negative behavioural aspects of managers in the literature.

Originality/value: The research problematizes the notion of responsibility accounting developed traditionally under the assumption of the state of equilibrium. The research also mobilises the vignette technique in the interviews, which has rarely been used in the prior literature on management accounting.

Major concerns/focus of discussions during the colloquium: At this stage, this research seeks theoretical lens(es) to analyse empirical data. One possible direction could be to be based on discussions developed in the literature on accounting in ambiguity, although possibilities to accept other theories are wide open.

**The standard setting space for corporate reporting in the 21st century:
Locating the accountancy profession in the changing regulatory space**

Amanda Sonnerfeldt
Lund University

Integrated reporting has been regarded as an evolution of mainstream reporting allowing improvement in transparency, governance and decision making for all types of organisations (Adams & Simnett 2011; Adams et al 2011; Eccles and Krzus, 2010). Regulators such as the IOSCO views it as a “turning point in the development of corporate reporting”ⁱ This initiative to enhance and consolidate existing reporting practices has gained wide support among the organisations are IASB, IFAC, GRI, IOSCO, the European Commission. The International Integrated Report Committee comprising a “powerful, international cross section of leaders from the corporate, investment, accounting, securities, regulatory, academic and standard-setting sectors as well as civil society” (IIRC website) has put forth that the International Integrated Report Framework (IIRF) as not another framework of “add- ons” or silo development. The objective of the IIRF is to provide guidance to organizations to report information in a “clear, concise, connected and comparable manner” on “material information about organisation’s strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context in which it operates” needed by investors and other stakeholders to assess the organization’s long-term prospects (IIRC, 2011). This raises the question on how this development will change the nature of the regulatory space in which the rules of reporting are designed. This project has a two-fold purpose. First, it aims to analyse the emergence of the IIRF in the context of the current fragmented corporate reporting landscape. Second, to locate the accountancy profession in the changing regulatory space and analyse the challenges to the boundaries of current rationalities, concepts and jurisdiction held by the profession.

This project will draw from Julia Black’s notion of decentred regulation where the locus of regulation is shifted from the state to different polymorphous actors. Without a hierarchical structure or central authority body to coordinate these efforts, standards are set in “many rooms”, grounded on different objectives and can prescribe different courses of action. Decentred regulation functions in a dynamic sphere characterized by fragmentation of knowledge and complexity arising from interactions, patterns of influences and power relationships between, the actors and / systems. Regulatory space is a device useful to enhance our understanding of the inner workings and the environment from which actors, standards and issues emerge, develop and are legitimised or de-legitimised. The fragmented and contested space is influenced by multiple and contested logic. Institutional logic of the space determines criteria for legitimacy, in the continuous process of standard setting. At the same time logic is shaped by the initiatives, actions and responses of actors. Legitimacy is constructed appealing to relevant audience who exercise judgment and evaluation to determine acceptability of a standard setter or knowledge base.

I would like to discuss the suitability of the theoretical framework and the resilience of the method chosen involving an analysis of documents and interviews. In particular, I am concerned with the quality of my research and managing the growing amount of documentation in this area.

Management accounting's role on the innovation process

Tatsumasa Tennojiya
Hiroshima University of Economics

The purpose of this research is to make clear management accounting's role on the innovation process. The mainstream researches of this topic are researches related to Simons (1995)'s concept of "interactive control systems". However, these researches are limited to make clear management accounting's role on the innovation process. Because Simons (1995)'s concept is focus on the method for utilization of information, it is difficult to recognize the relationship between information and substance. This difficulty poses the problem of limited understanding of the management accounting's role. To overcome this limitation, my research focuses on "calculation logic" of the management accounting. Employing the concept of "calculation logic", this research focuses on the relationship between information and substance.

Main finding of this research is management accounting's role on the innovation process can be divided into two stages. First is the problematize stage, second is the legitimize stage (see Figure 1). When a company introduces management accounting which has different "calculation logic" from current one, "tension" (Mouritsen et al., 2009) which problematize current situation of the company is created. This is the role in the first stage. To overcome the problem recognized in the first stage, the company has to mobilize resources. Management accounting also has the role in this second stage. Information which is created by each management accounting is useful on legitimizing resource mobilization, because resource is mobilized in accordance with "calculation logic" of the management accounting.

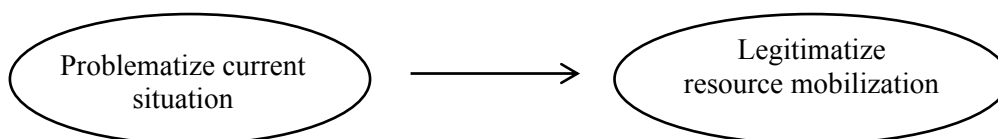


Figure 1. Management accounting's role on the innovation process

Budgeting and trust in banks

Danielius Valuckas
Norwegian School of Economics

Budgeting remains the principal management control tool employed in many organizations. Budgeting can either support or supersede other management accounting tools meant to serve different organizational purposes, including planning and coordination, resource allocation, control and learning, performance measurement and employee compensation. However, besides the easily measured operational costs, budgeting might “create rigidity, limit cooperation and creative response, overemphasize short-term cost control and top-down authority, encourage gaming, and demotivate employees” (Covaleski, Evans III, Luft, & Shields, 2003, p. 5). Following the critique, alternative management accounting practices have emerged to replace the roles of traditional budgeting (Hansen, Otley, & Van der Stede, 2003). Some of these new alternatives are not merely individual budgeting devices or techniques but a mix of controls that form a holistic organizational system and hence may be interpreted as a new management philosophy, such as Beyond Budgeting. Nonetheless, with the increased critique of budgets and the propagation of new alternatives, a deeper understanding of the implications of changing or removing budgets are still lacking, and more knowledge is looked-for to capture potential weaknesses and implementation challenges associated with alternative management accounting practices (Østergren & Stensaker, 2011). Accordingly, it might be worthwhile studying the critique of budgeting and its relevance on the adoption of other management accounting practices. I shall control for potential industry effects by focusing solely on banking sector. There are several reasons for this choice. Budgeting as a centralized control mechanism is somewhat in conflict with the management model in banks where employees are usually empowered at all organizational levels (Max, 2002). Financial institutions as such are deemed good candidates for decentralizing organizational structure and adopting alternative budgeting practices such as beyond budgeting (Dugdale & Lyne, 2006). A well-known bank that has implemented the beyond budgeting approach, Svenska Handelsbanken, has inspired companies in various sectors to reconsider their own budgeting practices (Lindsay & Libby, 2007); hence some argue that banks are more predisposed to this new management control system than other institutions. On the other hand, it is argued that adoption of radical holistic management control systems, such as a beyond budgeting philosophy, tends to be more successful and contingent on the culture that employees are engaged in. Handelsbanken’s management model appears to correspond more to the Scandinavian culture rather than North American culture, which is centered on individuals and extrinsic rewards as motivational tools (Lindsay & Libby, 2007). For this reason I intend to investigate the relevance of budgeting critique in a different context. Lithuania is chosen as a post-socialist society where particular social-historical processes have accounted for a number of ethical problems at workplace and trust in the society is generally low (Pučėtaitė, Lāmsā, & Novelskaitė, 2010). Also, interesting insights may be obtained since Lithuanian banking sector is largely dominated by Scandinavian banks. Lastly, there are not many studies on budgeting by Lithuanian scientists (Vaznonienė & Stončiuvienė, 2012).

Small Accounting Practice, Social Capital and the Duality of the Professional Role in Rural Australian Communities: An Interpretative Phenomenological Analysis

Dale Wadeson
James Cook University

This study acknowledges the importance of rural and regional Australia in the future sustainability of the national economy at a time when there has been a lengthy period of public and political concern over the social and economic decline of our rural communities. Agricultural decline in particular has hit hard, with farm consolidation, a reducing level of value in agricultural products and population movement, particularly young people, undermining the social and economic viability of many rural and regional communities. The study aims to bring focus to the critical nature of the many and varied roles that accountants, as members of a small group of professional knowledge workers, undertake in rural areas. These professionals stand out from urban counterparts because of the different expectations and interconnections that exist within the complex social and economic fabric of a small rural community. With the increasing use of technology in knowledge based service provision, and the merging and consolidation of an increasing number of accounting practices from smaller district communities into larger regional or urban centres, research into the effects that this phenomenon of change has on rural communities that are 'left behind' is seen as timely.

Within this challenging framework, the purpose of this qualitative study is to examine the lived experience of professional public accountants operating small accounting practices in rural areas of regional Australia. The study is an examination of a rural accountants' social world in the interpretive paradigm grounded by hermeneutics and idiography in the Interpretative Phenomenological Analysis (IPA) research tradition. The study looks beyond the day-to-day technical and routine accountancy processes and procedures in order to investigate the perception of meaning and relevance that the principals' of these small public practices attribute to social capital and its reciprocal and synergetic nature within rural areas. This study is undertaken using the principles of IPA to produce detailed interpretative accounts from the personal narrative provided by each of the participant's unique lived experiences of being an accountant in a rural area. These narratives aim to provide a phenomenological hermeneutical conceptualisation of each participant's lived experience of social capital and its relationship to sustainability of practice and rural community. This examination will consequentially explore the existence of any dichotomous relationship that exists between profession and the professional in the rural space as a result of the social capital phenomenon and contextualized through both role theory and planned behavior theory.

Philosophically, the study takes a phenomenological approach, and in doing so provides a set of resources and conditions that structure the investigations design and evaluation; ontologically the research assumes a relativist or social constructionist perspective, and epistemologically it is interpretive. Methodologically the research is qualitative with an inductive approach, and the methods used involve primary in-depth semi-structured interviews, with protocols developed from a conceptual framework of societal social capital. Interpretative Phenomenological Analysis (IPA) has been selected as a methodology as it offers the ability to explore the lived experience of rural accounting practitioners in its own terms and not attempt to fix experience in predefined or overly abstract categorisations. This approach considers the hierarchy of experience, separating the everyday flow of experience from the awareness of engaging with 'an experience' and the subsequent reflection on the significance of it. It is with these reflections that this study attempts to engage using the IPA methodology. The decision to take this approach was primarily guided by the complex experiential nature of the study, the research questions under investigation and other guiding literature. Seven key areas across Regional Australia that are considered as representative of rural, agricultural based economies were selected for the research. A pilot study was undertaken in April 2013 in one of the key areas to test the efficacy of the proposed interview protocol. Following the success of the pilot, eight principals of small accounting practices operating in district service centres located within the key regions were interviewed in depth across May and June 2013.

IFRS VS US GAAP: Dispatches from an International Battlefield

Ersa Tri Wahyuni
University of Manchester

The objective of this doctoral research is to examine the adoption process of international accounting/financial reporting standards (IAS/IFRS) especially on how the decision to adopt IFRS and abandon US GAAP was emerged and achieved in sample countries. I sampled the countries in a specific manner; countries which could have chosen US GAAP but decided (or in the process of deciding) to adopt IFRS. The sampled countries included in this research as of June 2013 are Indonesia, Japan, Philippines, Canada, Brazil and Switzerland.

The study represents an important and significant response to the calls by scholars who believe that competition across international standard setting bodies is far advantageous than having one dominant set of global standards (Kothari et.al, 2010; Walker, 2010). Such calls are made largely on normative grounds but this study offers valuable empirical evidence on the choices and behaviours that happen when internationally recognised standards do compete for national adoption.

Despite a strong endorsement by transnational organisations such as the World Bank and the G20 for IFRS, a conspicuous promotion by the IASB and an increasing IFRS adoption all over the world in the last ten years, research findings have tended to suggest that IFRS is not a better quality standard than US GAAP (Bartov et.al, 2005; Leuz 2003). IFRS may produce a better quality of accounting information or other capital market benefits (Barth et.al, 2007; Daske et.al, 2008; Landsman et al. 2012, Byard et al., 2011; Horton et al. 2012; Tan et al., 2011), but research in this area focuses more on the companies converted from local Non-US GAAP to IFRS. If companies convert from US GAAP to IFRS, accounting quality dimensions (inter alia value relevance, earnings management, timeliness) have been found to remain unchanged (Bartov et.al,2005; Leuz 2003) or even deteriorated (Van der Muelen et.al, 2007; Lin,2012; Barth et.al, 2012).

Some case studies of IFRS adopting countries, influenced by institutional theory, have offered explanations that coercive isomorphism influenced this IFRS adoption process (Albu, et.al, 2011; Collin, et.al., 2009; Hassan,2008; Mir and Rahaman, 2004). However, the coercive isomorphism explanation may be more relevant if the country uses a non-US GAAP standard which is, prima facie, a lower quality accounting standard. The explanation may be different for countries with high dependence on US GAAP.

This study combines archival analysis and in-depth semi-structured interviews with key decision makers in the five countries. The first phase of the study is to complete the case study of Indonesia, Philippines and Japan in 2012-2013, continues with other countries in 2013-2014. Forty two interviews have been conducted over four months with key decision makers in Indonesia and Philippines and four interviews with Japanese respondents.

This research project contributes to the literature by providing in-depth closer observation to the process of the IFRS adopting countries and by providing answers to these following research questions: How did the countries decide to adopt IFRS and abandon their previous accounting institution, the name of US GAAP? How did the argument supporting US GAAP lose the battle against IFRS? Does one set of 'excellent' standards come to dominate because it is technically better or because it has greater political and institutional momentum behind it?

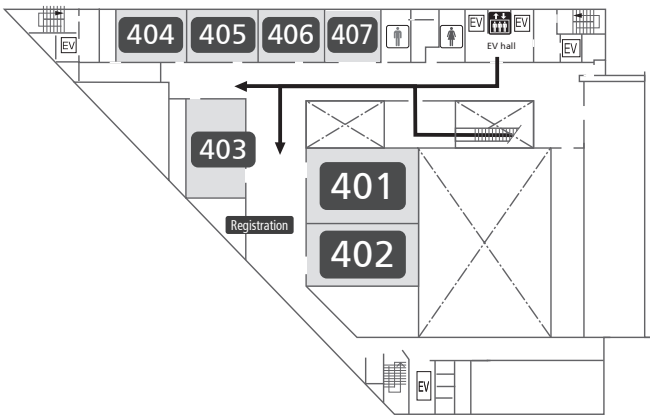
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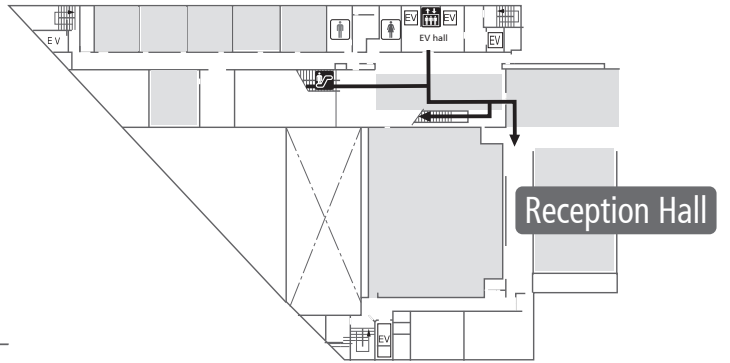
Floor Guide & Map

Kobe International Conference Center

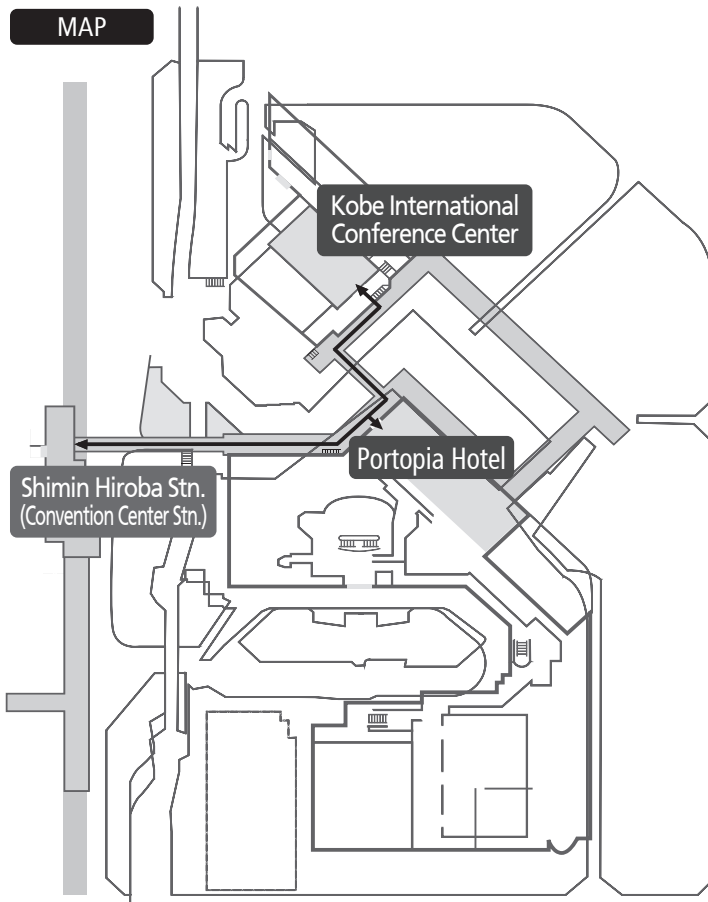
4F



3F



MAP



Please use the following SSID and Password when you use the wireless network during the conference in Kobe International Conference Center.

SSID : APIRA2013
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