



Regular Article

Exploring a 'non-financial' management accounting change

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Abstract

Many normative calls have appeared for including strategic non-financial measures into management accounting systems. This paper explores the emergence of non-financial measures in the organizational context of Lever Industrial-U.K., a service-oriented British chemicals company. Tracing the mechanism of this management accounting change, the study identifies the dynamic forces which are driving it. The paper points at the systematization of non-financial measures as an essential phase of the change process. However, the paper also suggests that non-financial measures become a powerful vehicle for focusing interactive management control into the organization's strategic uncertainties. This interactive 'Focus Potential' of non-financial measures goes beyond their diagnostic role as strategic controls.

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...To facilitate the construction of links between financial and operational concerns in these dialogical spaces, the involvement of operational people matters (see e.g. Jazayeri and Hopper, 1999; Jönsson and Grönlund, 1988; Lind, 2001) since 'important knowledge about cost relations of production processes is located locally' (Jönsson and Grönlund, 1988;

p. 530). The construction of these links may also be enhanced, Vaivio (1999) suggests, by involving functional managers and expert staff in performance meetings. It is also influenced by the temporal organization of accounting talks....

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...The representation of 'business performance' is particularly suitable for testing these insights. As stressed in the growing literature on accounting and strategizing (Chapman, 2005; Chua, 2007; Mouritsen & Dechow, 2001), the plurality of perspectives involved in the implementation of new strategic devices cannot easily "be translated into the common language of accounting" metrics (Jørgensen & Messner, 2010, see also; Mouritsen, 1999; Vaivio, 1999). This is also why, as uncertainty increases, "pre-planning must eventually become detrimental to performance", and, when this happens, "organizations must engage in an ongoing determination of the appropriate course of action" (Chapman, 1998, p. 764), adapting and continuously changing the ways and forms in which performance is monitored, up to the point at which formal systems of evaluation leave room for interactive (Simons, 1995) or cultural (Ouchi, 1979) forms of control. ...

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