Mapping methodological frontiers in cross-national management control research

Alnoor Bhimani

Department of Accounting and Finance, London School of Economics and Political Science, Houghton Street, London WC2A 2AE, UK

Abstract

Cross-national studies of management control systems and internal accounting practices are suggestive of the existence of distinct national differences. These studies are, however, methodologically partial, drawing upon contingency theory rationales and culture based arguments in examining international management control variety. The purpose of this essay is to review these perspectives critically and to consider other modes of analysis used by researchers investigating diversity in the structuring of organisational arrangements and forms of management practices across different contexts. Specifically, the essay discusses the societal effects approach, new institutionalism and “new” historical analyses. The paper also provides a tabular representation which classifies and positions the alternative perspectives in comparative management control research discussed in the paper along different conceptual dimensions. © 1999 Elsevier Science Ltd. All rights reserved.

1. Introduction

Scholars reviewing comparative management studies have noted that over the past three decades, the field has consistently remained prone to simplistic discussions of empirical findings (Adler, 1983; Boyacigiller & Adler, 1991; Schollhammer, 1969). Where theoretical development has been made, it has been “weak” (Redding, 1994, p. 323) and

... polluted by the axiom-based and positivist paradigm espoused by Anglo-Saxon economics in its attempt to cope with its physics-envy (Redding, 1994).

Although questions have been raised as to the methodological appropriateness of cross-national investigations of organisational characteristics, the results of these studies suggest that organisations within one national context can exhibit similarities in their functioning not shared by enterprises in other countries (see reviews by Adler, Doktor & Redding, 1986; Eveleth, Cullen, Victor & Sakano, 1995; Ricks, Toyne & Martinez, 1990). Accounting techniques and management controls in particular have been found, in some contexts, to have characteristics that are country-specific rather than supra-national (see Harrison and McKinnon, 1998). Whilst many investigations continue simply to delineate differences across countries and to describe variety, calls are being made for greater explanatory content within comparative studies of accounting practices and organisational control characteristics (Catturi, 1996; Hopwood, 1996; Lachman, Nedd & Hinings, 1994; Shields, 1998). What is sought is that the raisons d’être for diversity across countries and organisational commonalities within countries be...
more extensively assessed in scholarly comparative research.

The purpose of this essay is twofold. First, it critically examines two conceptual approaches which researchers have adopted to explore the basis for differences in cross-country management control systems. One of these is premised on the structural contingency argument, which considers organisation structure relationships as dissipating international differences, and thereby as converging over time. The other is the culture based ideational perspective which sees culture as a determinant of human action and hence of the environment in explaining international variations in management controls. The essay subsequently identifies possible avenues for comparative research drawing upon perspectives identifiable in the broader management literature concerned with explaining diversity in organisational arrangements and in management practices across different contexts.

The paper is structured as follows. Comparative research based on the contingency argument is considered prior to discussing the culture focused perspective. The essay then examines the societal effects approach, new institutionalism and the “new” stance to historical analysis as potential research frames of reference for undertaking comparative investigations. In discussing these different perspectives, a tabular means of positioning alternative frameworks is constructed as an aid to researchers engaged in the study of cross-national management control differences.

2. The convergence school

Early research in comparative management viewed international variety as diminishing as societies converge and become more alike over time. Cross-national differences are seen in this research as being suppressed as supranational forces of change are considered to take hold. Researchers belonging to the political-economy school (Clegg & Dunkerley, 1980; Hill, 1981; Littler, 1982) for instance, suggest that contradictions within capitalism generate broadly similar trends in the management and structuring of the labour process. Economic organisations across countries under such circumstances are expected to exhibit similar tendencies toward the encroachment of managerial control over the conduct of work, toward the de-skilling of workers through the simplification and standardisation of tasks, and towards the displacement of labour. Adopting a similarly deterministic conceptualisation of societal transformation, some scholars have argued that broad environmental factors, such as the process of structuring managerial hierarchies and the degree to which a society finds itself in a notional trajectory of industrialisation, induces convergence in organisational structure and management practices (Dore, 1959; Dyas & Thanheiser, 1976; Harbison & Myers, 1959; Haire, Ghizelli & Porter, 1966; Inkeles, 1960). Such a characterisation of societal transformation is underpinned by the argument that contingencies of market diversification, technical adaptation and inter-organisational dependencies compel organisations to limit their internal administration and arrangements to a small set of functional possibilities enabling their survival. The argument that such contingencies remain imperative across social, economic or political systems whilst progressively moulding organisational functioning, marginalises the relevance of nation-specific influences.

Harbison and Myers (1959, p. 44) argued that...

...organization building has its logic which rests on the development of management and there is a general logic of management development which has applicability both to advanced and industrializing countries in the modern world.

This “logic”, it is argued, forces industrial organisations to adopt greater specialism of function, which in turn enhances the level of managerial decentralisation in organisations witnessing increased growth and complexity of activities. Ultimately, organisations manifest greater specialisation and sophistication of managerial controls, whilst managers become more “professionalised” (Harbison & Myers, 1959). Authority relationships undergo a shift from being highly formal to becoming more participative, with a concomitant
decentralisation of organisational structure over the long term. Such a trajectory of industrialisation downplays the effects of nation-specific factors since the transformation associated with ongoing industrialisation is seen as taking place irrespective of national context. Any notion that nationally specific characterising forces exert any influence is restricted to effects which alter the pace rather than the direction or conditions of change. Such an argument cannot afford the plausibility that nationally rooted contextual elements could affect the genesis of organisational forms to any significant and sustained degree. The argument that industrialism follows a “logic” thus supports a macro-social “culture-free” (Lammers & Hickson, 1979, p. 7) view of changes in organisational structuring. In the main, this view remains ahistorical and impervious to context. Given that, in broad terms, industrialising nations arguably witness comparable structural changes, organisations accordingly exhibit corresponding likeness.

Cross-national organisational differences within the logic of industrialism perspective are thus viewed as reflective of the extent of industrialisation, rather than of any deep-rooted element of national distinctiveness. Indeed, over a period of time, organisations across national boundaries are seen as likely to become more alike. As Jamieson (1983, p. 80) notes, early comparative management scholars adopted a stance which inhibited the explicit consideration of nation-specific forces in explaining business behaviour:

... management theory maintained that all the evidence pointed in the direction not of cultural diversity, but of convergence—that the basic principles of management were universal.

If, indeed, industrialised nations exhibit converging influences, then the argument might be taken to also hold at the more micro-organisational level in terms of technological, market, strategic and other contextual variables’ interdependencies with organisational structuring (Hickson et al., 1974, 1979; Hickson and McMillan, 1981; Pugh, Hickson & Hinings, 1969). Such is in effect the structural contingency theorists’ posture on the stability of relationships between contextual elements and organisational structure variables. As such, “imperatives” (Hickson, Hinings, McMillan & Schwitter, 1974, p. 64) between contextual variables and structural elements “... take effect whatever the surrounding societal differences” (Hickson, Hinings, McMillan & Schwitter, 1974).

The structural contingency view assumes that those contextual factors, seen as affecting dimensions of structure such as technology, dimensions of task environment and organisational size, are objectively differentiable from other elements of the environment within which they exist. Moreover, knowledge of these contextual factors is assumed to enable management controls to be purposefully designed. The characterisation of homogenising forces represented by structural linkages that are context independent, and the conception of management controls as being instrumentally functional and technically purposeful, form the basic premises of the contingency perspective. Fig. 1 categorises the structural contingency view as presupposing that homogenising forces are universal, and that management controls can accordingly be purposefully constructed. The relationships between organisations and their environments are seen in terms of the need to survive whereby certain functional imperatives underlie the functioning of organisations and influence the structuring of systems of management control. Such a view assumes instrumental rationality and management control essence (see Alvesson & Willmott, 1996; Burrell & Morgan, 1979; Hopper & Powell, 1985). This stance also presumes that organisational elements possess objective characteristics that may be studied by methods that “deny the distinctive nature of the social in contrast to natural phenomena” (Knights, 1994, p. 514). Methodologically, structural contingency is nomothetic in that it relies on the systematic analysis of data in seeking to establish generalisable relationships.

The contingency literature in management control research is at a stage where broad preliminary observations have been made by reviewers on its results and implications (Covaleski, Dirsmith & Samuels, 1996; Dent, 1990; Macintosh, 1994;
Macy & Arunachalam, 1995; Otley, 1980). Chapman (1997, p. 189) notes that such reviews are largely negative ... proclaiming the lack of an overall framework for the analysis of the relationship between contingent factors and accounting leaving no obvious starting point for an explanation of an increasing body of often contradictory results.

Conceptually, the underpinnings upon which the contingency argument has been founded have been viewed as “largely discredited” (Child, 1981, p. 319). Donaldson (1995, p. 230) however, remarks that “structural contingency theory is far from a finished intellectual programme”. He notes that

... several newer theories have arisen as rival accounts of organisation structure, challenging the explanation offered by structural contingency theory (Donaldson, 1995, p. 230).

Donaldson (1995) argues for a new synthesis to reintegrate the field of organisation theory taking structural contingency theory as the core theory onto which selective propositions from other conceptual perspectives can be mounted. In the face of extensive critiques of structural contingency theory (Kimberly, 1976; Mayhew, Levinger, Macpherson & James, 1972; McKelvey & Aldrick, 1983; Pennings, 1975; Starbuck, 1981) and the contrasting epistemological and ontological basis of rival research perspectives, the potential contribution which such a new synthesis could make remains unclear.

Contingency based studies generally focus on broad features of organisational structure and control. Organisational characteristics such as the degree of centralisation, formalisation, and specialisation and relationships between these characteristics and other contextual elements have only been considered macroscopically, thereby revealing little of the ways in which structure becomes operationalised. Nath (1986, p. 25) notes that “contingency theorists have generally ignored the role of culture in cross-national research”. Yet, relationships between organisational participants, processes of mutual accommodation, and modes of behaviour are widely argued to underlie the development of formal organisational structuring (see Pufty, 1993; Roslender, 1992). Disregarding whether or how such factors might affect formalised dimensions of organisations reduces the significance of explanations resting on socio-historical factors in comparative research.

The relative determinism assumed by contingency theorists in investigating organisational arrangements is difficult to justify in that desired
levels of performance can be achieved in differentiated spheres deploying alternative forms of management controls (see Lane, 1989 and Sheridan, 1995 for instance). Giving precedence to deterministic functional relationships between structural elements and organisational effectiveness does not allow due consideration of the influence of nationally rooted preferences on observed organisational forms and practices. However, a body of research which counters the contingency theorists’ context-free posture by assuming a more direct role for notions of cultural variation in explaining organisational diversity is now well documented. This is discussed below.

3. The cultural contingency of management control systems

Appeals to notions of nationally-rooted cultural forces (the “culturalist” perspective) have been made in the management control literature, in an attempt to explain detectable regularities of structuration in organisational phenomena. There is much systematic evidence suggesting that the pursuit of formally identical tasks or goals takes place in dissimilar ways from one national society to another (Archer, 1994; Erez & Earley, 1993; Harris & Moran, 1987; Heller, Drenth, Koopman & Rut, 1988; Hickson, 1993). Ascribing such variations to differences in the modal personality structure or to the play of dissimilar sets of core values which are thought to affect work motivation and propensity to favour one method of control over another are seen to offer the potential of developing nationally specific solutions to problems of management control design. Such a perspective assumes that individuals affect and are influenced by control structures in similar ways because they have internalised core cultural values which are shared extensively enough by virtue of their membership in a wider national society. Researchers exploring international management control variety have in the recent past adopted notions of cultural values which emphasize mental programmes, filters and mindsets underlying motives, beliefs, goals, traits and social ideals. Such interpretations of culture convey the same general sense of meaning as the following definition of culture advanced by Tylor (1871, p. 1):

… that complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society.

In addition to conceiving of culture in terms of mental attributes, researchers interested in exploring the interrelationships between organisational control systems and culture have also tended to view culture in ideational terms as opposed to seeing culture as being environment-dependent (the “adaptive” view). For instance, in their field study of control and culture in the USA and Japan, Birnberg and Snodgrass (1988) and Snodgrass (1984) see culture as a filter for perceiving the environment which sets the decision premises for individuals within cultural groups and which therefore, affects human decision making. They give primacy to the assumption that human action is guided by culture and that the environment

… does not so much shape values and beliefs as values and beliefs shape human perception or the structuring of the environment (Snodgrass, 1984, p. 28).

This perspective enables the identification of an observable and measurable influence of culture along a dimension that is seen as meaningful to organisations:

The ideationist approach to culture takes us from a specific concern for what culture is to a concern for what culture does … this position gives us an indication of how a cultural influence may become manifest in an organizational process (Snodgrass, 1984).

The notion that human action and the environment is determined by culture values also provides the basic proposition underpinning comparative management control research resting on Hofstede’s (1980) cross-national study results. Hofstede’s (1980) questionnaire-based study of employee values and perceptions of the work situation within one large multinational organisation is among the most extensive of its type, covering 40 countries (later extended to 64).
Although Hofstede notes that the use of questionnaire data “... for studying differences in national cultures was an unintended, serendipitous by-product” (Hofstede, Neuigen, Ohayre & Sanders, 1990, p. 287), he sees the results of his study as having significance for accounting control research:

The less an activity is technically defined, the more it is ruled by values, and thus influenced by cultural differences... Accounting is a field in which the technical imperatives are weak... so we can expect accounting systems to vary along national cultural lines (Hofstede, 1987, p. 8).

The results of his study have been used by various researchers as a basis for undertaking cross-cultural comparative analyses of management control practices (see Harrison and McKinnon, in press, for a review of these studies). Such analyses adopt a stance akin to that taken in early cross-national studies of management practices (England, 1978; Granick, 1978; Graves, 1972; Ouchi 1981; Tannenbaum, Kavcic, Rosner, Vianello & Wieser, 1974) which have treated culture ideationally, attributing to it the reason for the differences identified.

The culturalist perspective considers the analysis of social values as relevant. It assumes that the social world and its alleged structures can be verified empirically (Gibson, 1994). Methodological instruments which presume the universality of predefined cultural dimensions are seen as enabling researchers to locate, explain and predict social regularities and patterns and their effects on management control structuring. Hence, Fig. 1 situates the culturalist perspective as universalist rather than contextual in its view of homogenising forces. Culturalist studies of organisational controls emphasize the systematic collection and analysis of quantified data so as to confirm hypothesised relationships. They also tend to depict their results in a technically functional light in discussing their implications for the design of management control systems.

The ideational perspective adopted by researchers interested in the role of culture in influencing management control practices suffers from certain methodological and conceptual problems. Swidler (1986, p. 273) for instance remarks that to assume that culture shapes action by supplying ultimate ends or values toward which action is directed is “fundamentally misleading”. In part, this is because of the “loose coupling between culture and action” (Swidler, 1986, p. 281) caused by the “great discontinuity between talk and action” (Swidler, 1986). Difficulties also arise in that the definition of culture must be sufficiently precise to allow a delineation of the elements of national culture which are seen to influence aspects of the functioning of organisations. A particular definition of culture must be specific enough to enable empirical investigation, and yet must also remain sufficiently general as to retain cross-national relevance. Attaining an appropriate balance between specificity and generality in defining cultural elements is a difficult task. Elaborations of cultural characteristics face the risk of being too limiting to allow an explanation of the full complexity of culture’s role in the shaping of particular practices or of being too broad. Moreover, a precise characterisation of features taken to constitute culture runs the danger of becoming ethnocentric in that pre-specifying explicit cultural dimensions may enable empirical verification but may also culturally bias a research study. Conversely, identifying broader dimensions of culture may yield an excessively general appreciation of cultural presence within enterprise activities. Schenck (1989, p. 149) notes that these problems have, in part, led to a recurring “reinvention of the wheel” of cross-national research methodology by different researchers.

One significant criticism levelled at comparative empirical investigations of management practices and organisational features centres around the relativistic position that a common observation language is not possible to achieve in the study of social phenomena. D’Iribarne (1989, p. 273) thus remarks in relation to Hofstede’s predefined value dimensions that:

A national culture just cannot be reduced to a collection of independent dimensions but corresponds rather, to an array of traits revealing a measure of coherence. Some being
more fundamental and stable... others more susceptible to change.

The tension between the general and the specific can lead to a polarisation of methodology with nomothetic approaches at one end and ideographic features at the other. Whereas nomothetic research emphasises systematic protocol and technique in gaining knowledge of the social world by combining raw observations, ideographic studies focus on subjective and individual accounts of actions and events. In an ideographic study, one tries to make sense of a single chain of events or phenomenon without seeking a solution that represents a general or causal law. Geertz (1973, p. 5) accords with this view in his definition of culture:

Believing, with Max Weber, that man is an animal suspended in webs of significance he himself has spun, I take culture to be those webs, and the analysis of it to be therefore not an experimental science in search of law but an interpretive one in search of meaning.

This polarisation is one which has raised issues germane to the study of both accounting controls (Dillard & Becker, 1997; Hopwood, 1987a; Miller & Napier, 1993) and of other socio-structural phenomena (Abrams, 1982; Burke, 1980; Giddens, 1979; Kiser & Hechter, 1991; Whitley, 1984).

A further difficulty arises in that the salience of designated elements seen as central to culture at the time of the study must be established. Measures of pre-identified dimensions obtained from one study and applied to another face the risk of temporal anachronism as social changes over protracted periods of time arguably will alter cultural profiles along the predefined dimensions. Perhaps more importantly, the ideational perspective as adopted by management control researchers only probes the existence of predefined cultural elements, without examining whether these elements also inhabit other social processes, institutional systems and aspects of societal change. Moreover, the absence of any analysis of interactive effects between presumed cultural forces and control structures seems to be justified only on the grounds that this would be methodologically difficult to undertake (Snodgrass, 1984). Questions must justifiably be posed as to how far ideational notions of cultural influence can be conceptually upheld in the absence of counter-analysis of adaptive effects.

Studies which seek to explore the cultural embeddedness of organisational structural controls tend to disregard differences in the levels of influence which cultural elements may exert. The plausibility that some alleged cultural tendencies have a core influence in some national contexts whilst being more peripheral in others is however being documented in the emerging comparative management literatures (Bates, Amundson, Schroder & Morris, 1995; Saffold, 1988). Lachman et al. (1994, p. 41) note that:

The impact cultural values have is determined by their centrality within the value system of a cultural setting more than by their prevalence in this setting.

These authors suggest that congruence between core (as opposed to peripheral) values governing modes of organising in a cultural setting, and the value assumptions underlying the structure and processes of cross-national organisations operating within that setting, can be of critical importance to organisational effectiveness. For example, Lincoln, Hanada and Olsen (1981) study of employee satisfaction with decision making processes reports that in Japanese organisations operating in the US, Japanese employees were the most satisfied with consensual methods of decision making. Consensual decision making was for these workers a core value which was an important element of organisational practices. Japanese-American workers in this setting were less satisfied and non-Japanese Americans were the least satisfied with consensual decision making. This is attributed to individualism being a core value among US employees which is more compatible with contentious rather than consensual methods of decision making.

Likewise, an investigation of public organisations in Egypt carried out by Hinings and Badran (1981) reports that the high degree of participation required by a newly prescribed structure for such organisations was difficult to implement because core cultural values emphasized social and hier-
archirical distance in interpersonal relationships. Birnbaum and Wong’s (1985) study of multinational banks in Hong Kong posited that where the cultural emphasis is on high power distance, the structure of organisations will tend to be centralised and local Chinese employees will be more satisfied working in a centralised rather than decentralised structure. Their study results support this hypothesis but fail to support similar hypotheses concerning satisfaction with differentiation and formalization. Lachman et al. (1994, p. 49) explain this by suggesting that the value governing hierarchical power relations is core to the Chinese culture in Hong Kong whereas those governing formalization and differentiation are not. They note that:

When a core value is concerned, value incongruency can explain employees’ dissatisfaction. But when variances in practices (differentiation and formalisation) among the multinational organisations were incongruent with values that were not core, work satisfaction of local employees was not affected.

The relationships between core and peripheral values and management controls have not to date been investigated to any appreciable degree in research adopting a culturalist stance.

Very little documentation as to the origins of assumed cultural rootedness and the historical influences which might set one society apart from another is offered by scholars adopting a culturalist perspective (Hopwood, 1987b, 1996; Shields, 1998). Value systems in modern societies tend to be distinguishable into those that are long-standing and others which are of a more recent vintage (see Hobsbawn & Ranger, 1983). The culturalist perspective pays little heed to the heterogeneity of values which tends to be a feature of many modern industrialised societies. Persistent heterogeneity between business systems is characteristic of some advanced societies (Whitley, 1990; Whitley, 1992; Whitley & Czaban, 1998). Enz (1986, p. 174) observes that “... some societies may be monocultural while others are multicultural” whilst Tayeb (1994, p. 432) remarks that individual nations are “... usually very far from homogeneous”. Similarly, Schneider (1989, p. 157) develops the argument that “... many nations are multicultural and many cultures are multinational”. Arguably, corporate culture can also have a “... unifying effect across borders by means of the expanding role of multinational corporations in the global economy” (Mueller, 1994, p. 409). What seems plausible is that collective groupings develop within nations which internalise and reconfigure forces of change such that a specific ethos of dynamism becomes more central to one region than to another. Splinter cultures within one society may ultimately undermine any notion of a geographically and/or nationally definable set of core cultural values (Child & Taylor, 1981; Garreau, 1981; Scott, 1992). The possibility that “... societal heterogeneity dramatically influences the viability of cross-national comparisons” (Enz, 1986, p. 187) cannot therefore be ignored. Equally so, different cultural influences emerging from institutional forces and structural differences recur across specific locales within different nation states and lead collective groupings of regions or industries to become more prone to exhibiting close resemblances (Lane, 1995). Transborder configurations ultimately may share significant values setting them apart from other possible strata within national societies but uniting them across frontiers (Wright, 1998).

The above issues remain to be addressed in cross-national management control research informed by the culturalist perspective. Whilst studies within the culturalist genre have posited relationships between culture and management control systems, this has been achieved only within a highly focused and notably limited theoretical frame of reference. Within the management literature generally, very little has been documented about the causes of observed similarities and differences in practices across nations (Adler, 1983; Kelley & Worthley, 1981; Miller, 1984; Nath, 1986; Negandhi, 1983; Sekaran, 1983). As Lachman et al. (1994, p. 40) observe, studies which attribute country differences in organisation practices to cultural differences “provide neither sufficient theoretical nor empirical indications of how culture causes such differences”. Culturalist explanations for international variety in management controls remain largely speculative and
atheoretical (Camino & Verna, 1997; Horovitz, 1980; Sheridan, 1995).

For comparative management control research to advance, it is currently recognised that more attention needs to be given to “…the greater complexity and diversity of culture” (Harrison & McKinnon, in press). In this light, calls have been made for “…a multiple methods approach to and perspective on, research into culture and management accounting” (Harrison & McKinnon, 1998, p.115; see also Shields, 1997). Such exhortations have been made recurrently by researchers interested in the study of organisations (see Astley & Van de Ven, 1983; Burrell & Morgan, 1979; Rose, 1985; Scott, 1992) since “any one school of thought invariably offers only a partial account of reality” (Gibson, 1994, p. 29). In this light, this essay turns now to a perspective adopted in the study of cross-national organisational arrangements which addresses many of the issues seen as problematic within the culturalist perspective.

4. National specificity and societal effects

Methodological difficulties and conceptual obstacles abound in research which posits a cultural conditioning effect on management control systems. An alternative conceptual approach to investigating relatively enduring systemic features embedded in industrial organisations is the “societal effects” approach (Maurice, Sorge & Warner, 1980; Sorge & Maurice, 1993; Sorge & Warner, 1986). In the face of evidence which suggests that characteristic patterns prevail across organisations within one country in relation to another, this view recasts substantive theories of the evolution of advanced industrialism in terms of society-specific features underpinning organisational specificities. It does so without appeal to universal influences and relationships posited by convergence theorists and without giving precedence to culturalist explanations of organisational arrangements and authority structures.

Contextual factors such as the variables posited by structural contingency based explanations and the ideational literature are not seen as sufficiently explanatory within the societal effects view. The societal effects perspective abandons the search for forces external to specific societies which purportedly affect organisational forms and practices. Rather it concerns itself with

… how the nature of organisations reflects the institutional features of the society in which they are located (Lane, 1989, p. 28).

The approach gives primacy to the idea that relatively permanent societal features influence organisational forms and practices. It accepts that cultural factors may have a “mediating influence” (Maurice, 1979, p. 46), but focuses on the effects of societal features such as the educational system, the forms of social stratification, the vocational training programmes in place, and the division of labour on the internal structuring of organisations.

The societal effects approach recognises the existence within workplaces of extensive networks of highly specific relationships influencing the pursuit of formal goals (Brossard & Maurice, 1974). It considers values and dispositions as affecting different individuals’ behaviour in different ways. It argues, however, that the development of societally specific institutionalised populations of organisational forms and practices is linked to the pre-eminence of particular economic niches. Cross-national comparisons of societal factors and systems of control activities in organisations within this perspective search for evidence of structural elements underlying the interaction of people at work, systems of recruitment, the nature of qualifications, levels of supervision, and the extent of hierarchization (Maurice et al., 1980; Maurice, Sellier & Silvestre, 1986; Sorge & Warner, 1986).

The societal effects view overcomes some of the problems presented by the ideational perspective of culture. It recognises that institutions influence the behaviour of organisational actors, and that actors can also modify institutions through their actions. As such, the societal effects perspective assumes the existence of interdependencies between the two. Rather than surmise about culture on the basis of value orientations, the societal perspective focuses on examining and differentiating between organisational actions and work
activities in different national contexts. Lane (1989, p. 36) takes this to suggest that the societal effects approach “... taps culture relative to actions”. This approach thus attempts to overcome the difficulties entailed in positing a priori, cultural value orientations among individuals, and then seeking to establish the form and extent of their existence in organisational practices.

The societal effects approach presupposes the existence of linkages between organisational elements and extraorganisational factors. For instance, the complexity of control systems is seen to be associated with “... the mix of qualifications, skills and training available to designers of control systems” (Rose, 1985, p. 69). Limits are set on how work-tasks can be designed, supervised and executed given that, for example, a low skill workforce might be perceived to require more elaborate and rationalised sets of work tasks and more systematic supervision. Control practices might thereby be seen to be influenced by the availability of suitable recruits which in turn is influenced by external institutional systems of education and training. Such a view leads to at least a partial erasure of the conceptual boundary line between organisations and their environment. If a degree of stability is a characteristic of wider institutions, then such a characterisation might also be taken to infuse “solutions” to enterprise features. Ultimately, organisations within common groupings can be argued to exhibit similar key structural properties. Just as national labour force characteristics might shape organisational controls, so might the role of bodies such as trade unions and training agencies. Thus, behind a general correspondence between, say, pay-levels and qualifications might reign a consistent societal effect. Ultimately, what is sought is the identification of stable features of the social and organisational environment which underlie and shape the overall strategies of organisational actors or which affect the content of organisational controls. Methodologically, the societal effects approach requires the systematic analysis of matched data across organisations in different countries as well as societal context background information. The approach explores the existence of societally specific forms and organisational structures in terms of how far the resolution of common problems takes place through differentiated and societally specific forms across different nations.

Societal effects researchers have, to date, only documented indirect empirical evidence of the influence of social institutions upon management control systems in a systematic way such that companies’ structures and processes are seen to reflect typical national patterns (see Campbell et al., 1989; Whitley, 1991, 1992; Whitley & Czaban, 1998). The types of observations that this research perspective is able to make are broad. For instance, comparative research on management practices in Germany, France and Britain by societal effects researchers suggests the following characterising differences: The German style of organising and creating human resources tends to have “blurred organisation boundaries; less segmentation; fewer line-staff; management execution, technical work-shop-floor work and generalism-specialism distinctions” (Sorge, 1991, p. 166). Conversely, the French type of organisation may be characterised by greater hierarchical and lateral segmentation. It de-emphasises craft training and craft worker role-sets, using career progression and the combination of school and college education with job-specific training in the enterprise as more important mechanisms generating competence (Sorge & Warner, 1986). Distinctions between generalist engineering and management on the one hand and specialism on the other, and between strata of engineers, technicians and workers, are more in evidence. Greater differentiation between management, conception, design or planning, and execution exists. Conversely, the British organisation is more “equivocal” according to Sorge (1991, p. 167) in that functional segmentation between production and maintenance, management and engineering, supervision and technical work is pronounced. Yet, the management hierarchy is less technical and more subject to financial controls vis-à-vis German and French enterprises (see also Lane, 1989; Loveridge, 1990; Carr & Tomkins, 1998; Sheridan, 1995).

Societal effects studies suggest that a variety of patterns are to be found in societies rather than a single one. Dominant patterns exist within a band
of variety. Performance is associated not with notional correlations between specific task contingencies, strategies, organisation and human resources, but with the capacity to integrate conceptually distinct and opposed task contingencies and strategy elements. Thus, performance arises from the combination of what has been conceived of as distinct alternatives: cost leadership and differentiation in the product range; production efficiency and product quality; flexibility and productivity improvement; economies of scale and scope; mechanistic and organic forms. Sorge (1991, p. 184) argues that “wider societal arrangements have an important function within this framework… they allow actors to combine seemingly contradictory or conflicting elements”. As such, economically central organisational patterns vary in structurally significant detail between mature industrialised countries. Beyond this, it is not evident along any conventional measure of economic efficiency or effectiveness that one particular national pattern is more viable than another.

The societal effects perspective is concerned more with the systematic analysis of “choice-constraint dialectics” (Sorge & Warner, 1986, p. 13) than with notions of unidirectional causality subscribed to by the structural contingency and culturalist frameworks discussed above. It does not presuppose the notion that goal definition must precede means selection, nor that choice is in practice legitimated ex-ante rather than ex-post. Under conditions of social change, organisational structuring is seen as emergent and analysed in the context of societal, economic and institutional influences which form a “complex tangle of impacts” (Sorge & Warner, 1986). This is relevant in the context of comparative management control research as it is recognised that control systems designers within organisations do not simply create systems of control which are fully reflective of their intended ideal in practice (Hopwood, 1987b). Rather, planned structures have both intended and unintended effects upon the perspectives and expectations of organisational actors (Green & Murphy, 1996; see also Hopwood & Miller, 1994).

The focus of interest of the societal effects approach is on correspondences between organisation structure and societal context, whilst acknowledging that “evolution not only brings forth novel phenomena, but continues along a line which is already established” (Sorge & Warner, 1986, p. 16).

The societal effects perspective takes a half-way stance between unidirectional determinism and total constructivism. It does not appeal to decontextualised structural relationships nor does it see human creativity as unbounded and organisational arrangements as unconstrained. In this light, the societal effects approach is situated midway within the universalism-contextual spectrum in Fig. 1. It stresses both the partial autonomy of the human mind, as well as partial dependence on the objectivised world. Correspondences between organisational phenomena and societal structuring exist within a complex set of contingencies that reflect emergent patterns. Problem solving in organisations is seen as “non-rational” and as entailing a level of “unawareness or forgetfulness” (Sorge & Warner, 1986, p. 44) about all the circumstances relevant to a decision. Organisations might thus be seen as arising from a “technology of foolishness” (March & Olsen, 1976, p. 42). Fig. 1 situates the societal effects approach halfway in the purposeful-emergent continuum. This reflects the notion that organisations draw on elements of formal knowledges that are selected, rearranged and implemented in a “non-rationally unpredictable way” (Sorge & Warner, 1986, p. 35). Consequently, the functional purposefulness of management controls might be regarded as somewhat diffuse and inchoate.

Although conceptually broader in scope, the societal effects approach suffers certain problems. Lane (1989, p. 37), for instance, objects to the … the tacit assumption that the institutional arrangements of capitalist societies embody the values of all social classes and does not consider that institutions are predominantly shaped by the powerful in society.

To overcome this problem, Lane suggests that interviews ought to be carried out by researchers adopting the societal perspective to classify how organisational structures are viewed by employees at different levels of the hierarchy. Another difficulty with the approach is that societal studies are
based on the comparison of matched pairs of organisations which makes it possible that one type of plant is typical in one country but tends to be an exception in another. Heidenreich (1991, p. 184) refers to this problem as the “non-comparability of comparable plants”. Moreover, in rejecting the defining elements of organisational universalism and in refuting the convergence thesis, the societal effects approach sides, sometimes explicitly, with the hypothesis of divergence between capitalism countries. Ultimately, such a stance borders on having to confront the Malinowski dilemma: can a test for the convergence of societies be had in the face of the theoretical posture that societies are non-comparable? (see Malinowski, 1944). Doubt has also been cast over whether organisational processes and structures can be considered to be subject to a powerful structural isomorphism between firms and social institutions. Mueller (1994, p. 422) notes that “… organisational and globalisation effects may complement or even counteract the societal effect”. His concern is that some companies are “part of larger institutions” (Mueller, 1994) and are subjected to world market conditions to which they have to adapt or they may be part of multinational organisational groups. In so far as these companies draw on resources from these larger institutions, their internal structures and processes are likely to be substantially influenced and shaped by them.

D’Iribarne (1991, p. 603) expresses the view that by “… purging itself of all cultural elements”, the societal approach leaves behind certain “unresolved difficulties” (D’Iribarne, 1991). One such problem is that although Sorge and Warner (1986, p. 44) take pains to stress that

…the value of the approach resides in the theoretical engineering of correspondences, including dialectical linkages, of reciprocal conditions which overarch differentiated functional spheres,

the antecedent nature of any such relationships remains unexplored. Additionally, although the “central object” (Maurice, Sellier & Silvestre, 1992, p. 77) of the societal effects approach has been said to be the identification and analysis of “… the enterprise and its actors within society” (Maurice et al., 1992), and the “social embeddedness of its object of analysis” (Maurice et al., 1992), little light is in effect shed on the social or historical roots of observed differences. Given these limitations, Rose (1985, p. 81) notes that: “There is no shortage of questions which the body of “societal” analysis raises”. In spite of the conceptual and methodological difficulties which ideational-based studies and societal effects analyses raise, they no doubt increase our understanding of some of the possible forces underlying diversity in organisational arrangements and control structures in different national contexts. Both perspectives, however, fail to address certain important questions about the interplay between control systems and the homogenising effects posited. Montagna (1980, p. 27) comments in relation to accounting research that draws on Hofstede’s (1980) quantification of cultural value dimensions as follows:

The lack of emphasis on the social dynamics of culture limits the utility of their analysis of the relationship between culture and accounting.

This represents a common problem with the majority of existing comparative studies of management control systems and organisational arrangements. These studies do not, for instance, heighten our appreciation of the processes by which wider social phenomena become embedded in control practices, nor do they shed light on the manner in which organisational controls come to exhibit specificities and characteristics discernible in their broader social context. Likewise, questions about the inertia and dynamism of homogenising forces in altering, shaping, and mobilising particular organisational practices, and about the nature of particularisms underlying the existence of defined control mechanisms, remain largely unanswered. In effect, these studies fail to explore the roots of national distinctiveness within types of managerial controls, systems of organisational arrangements, and styles of enterprise government.

The societal effects approach paves the way for institutional, explanations of societally shaped control structures. It points to the plausibility of
considering organisations as capable of reproducing by “enactment and continuous re-enactment” (Sorge, 1991, p. 186) structures and response patterns which forms a coherent societally-specific whole. The following section considers the possibilities for comparative management control research within a new institutionalism frame of reference.

5. Management control and new institutionalism

Scholars interested in the study of organisational activities and structure have posited that habit and premises structure the activities and perceptions of organisational actors (Simon, 1957), and that decision making is often more indicative of rule following than the calculative analysis of possible consequences of action (March & Simon, 1958). In other words, they suggest that actions may be understood by examining their cognitive rather than their normative basis. Moreover, the manner in which social order is constituted as a practical activity as individuals interact may be understood in terms of how cognition is tied to routine, convention, and the logic of institutional rules (Garfinkel, 1967; Goffman, 1967; Silverman, 1970). In this regard, institutions are seen not as the product of deliberate design and the outcome of purposive action, but rather in terms of the persistence of practices in both their taken-for-granted quality and their reproduction in structures that are partially self-sustaining (Zucker, 1991). This perspective in organisational analysis has been termed the “new institutionalism” (Powell & DiMaggio, 1991). The approach emphasises the ways in which action is structured and order made possible by shared systems of rules that condition the inclinations and capacities of individuals and influence the diffusion of organisational operating procedures. It seeks to explore how organisational ideals become embedded in language and symbols and how states of affairs are produced and constructed. It is thus, partly concerned with the manner in which social and symbolic order is maintained by means of rituals. The general focus of new institutionalism is on organizational sectors or fields roughly co-terminous with the boundaries of industries, professions, or national societies (Scott & Meyer, 1991, p. 112).

The notion that structure results from predefined design and intended action is less tenable within the new institutionalism frame of reference as organisational actors are viewed as making assumptions that remain semi-conscious and which influence how they perceive, think and feel as part of groups (Schein, 1985, 1996). Patterns of judgement become aligned with actors’ subjective interpretation schemes and certain perceptive repertoires of cognition remain whereas others are eschewed (Weick, 1977, 1979). Rather than consider organisational arrangements as adaptive solutions to problems of utility maximisation and opportunism, the repetitive elements of organisational structures are sought to be explained by reference to their taken for granted nature and their perpetuation in structures that are to some extent self-sustaining. Although individuals within organisations make an array of choices on an ongoing basis, they also continuously seek guidance from the experiences of others in comparable situations and by reference to standards of obligation (Smircich, 1983). Individuals “associate certain actions with certain situations by rules of appropriateness” (March & Olsen, 1984, p. 741). Such rules arise from the process of socialisation, on-the-job training, education and observed norms of deference to convention.

The role of conscious management decision making in producing outcomes regarding organisational control systems is thus limited. The proposition that organisational structures can be emergent and enacted appeals to a position whereby human behaviour might be seen to derive sense and meaning from the interaction between actors and their social context. In contrast to placing emphasis on the plausibility that management controls can be shaped deterministically, such a stance “… makes it possible to avoid the ‘reification fallacy’ of orthodox economic thought” (Zan, 1995, p. 270). Social understandings derived from interplay between organisational actors influence
formal elements of management controls in implicit ways (Meyer, 1992). Choices are made, but derive from intuition and semi-conscious norms of obligations and preferences (Smircich, 1985). Cross-national studies of management systems cannot, in this light, appeal to a decontextualised and mechanical imagery of causality which presumes purpose and predictability as given. The comparative analysis of social systems, institutions, and organisations entails developing an understanding of context-specific meanings and priorities.

If it is accepted that meaning is contextually determined, and that the meaning of the phenomena under study are contingent on interactions between organisational actors and their interrelationship, then ascribing universal relevance to control categories across nations must be questioned. Viewing management control systems as enacted offers a way of exploring how they might be embedded in collective systems of thought, rather than as emerging from a process of rational adoption of core normative values that are deemed pervasive. In this light, the structuring of management control systems cannot arise purely from purposive actions or conscious design, but rather may be viewed as reflective of wider social elements whilst being deeply embedded in them (Ansari & Bell, 1990).

Whilst, at the level of structural configurations, cross-national investigations may suggest similarities for instance, in relation to task-environments (Tayeb, 1988), human resource allocations (Smith, 1992), and levels of decentralisation (Lincoln and Kalleberg, 1990), their modes of realisation may differ “... depending on the particular socio-cultural characteristics of the society” (Tayeb, 1994, p. 440). The new institutionalism perspective suggests that the legitimacy of particular organisational structures is not predicated on notions of rational adaptation to organisational contingencies in the “technical-instrumentalities mode” (Donaldson, 1995, p. 80). Standard operating procedures become institutionalised through law, custom, professional ideologies or doctrines on effective management. Specific practices may flow from

“...organisation to organisation, sector to sector and even country to country... Ultimately, they are taken for granted by individuals and organisations as the right way to do things” (Meyer & Scott, 1992, p. 2).

The notion that control systems arise from “technical-rational” (Ansari & Bell, 1990) concerns has been questioned by scholars interested in exploring the role of symbolic, ceremonial and ritualistic influences on the structuring of management control systems (see Ansari & Bell, 1990; Boland & Pondy, 1983; Burchell, Clubb, Hopwood, Hughes & Napapiet, 1980). For instance, Berry et al.’s (1985, p. 4), examination of management control in an Area of the National Coal Board in the UK relies on investigating “the rationales for practice offered by the participants” and leads them to observe that organisational changes

... reflect not so much the needs of internal organisational management, but instead external pressures on the organisation to appear efficient and responsive to apparent financial constraint (Berry et al., 1985).

They emphasise the significance of “tradition and culture” (Berry et al., 1985, p. 24) for an understanding of management controls.

Ansari & Euske’s (1987, p. 564) longitudinal investigation of accounting information use by US military repair facilities leads them to conclude that:

The technical-rational uses are overshadowed by the rationalising and reifying uses of accounting.

They suggest that accounting systems play a “highly symbolic” (Ansari & Euske’s, 1987) function which represents an alternate form of rationality to the tenets of economic rationality. Similarly, Czarniawska-Joerges’ (1988, p. 4) study of a Swedish organisation suggests that changes in control can be seen as a “symbolic reaction” to societal and organisational level transformations. Covaleski and Dirsmith’s (1988) investigation of the budgetary process between a US university and its state government leads them to view the budgetary dialogue as one manner in which societal expectations are expressed. They argue that an
organisation’s practices must embody and reproduce such societal expectations to ensure its continued viability. Consequently, “...accounting may be more of a social invention complicit in the construction of a social reality than a “rational” reflection of a technical reality” (Covaleski & Dirsmith, 1988, p. 20). Likewise, Czarniawska-Joerges and Jacobson’s (1989) analysis of budget processes within Swedish public sector organisations leads them to depict budgeting as playing a symbolic rather than a decision-making role. They suggest that

...linking budgeting to a cultural context means looking at which symbols, what language and which values are represented in particular budget processes (Czarniawska-Joerges & Jacobson, 1989, p. 29).

In their longitudinal study, Ansari and Bell (1994) discuss how the values and meaning frames of organisational participants within a Pakistani company provide them with interpretive schemes for processing experiences. They examine how such interpretive schema affect the organisation’s accounting and control practices. They view their research as a study of “... the symbolic processes through which people produce and reproduce social order” (Ansari & Bell, 1994, p. 27) and place emphasis on the “native’s viewpoint” (Ansari & Bell, 1994) in the linguistic categories that are used to organise experience and give meaning to it. They explain that this is necessary to:

... explain how and why certain types of accounting/control systems existed in the organisation under consideration at various stages of its life (Ansari and Bell, 1994, p. 29).

A number of cross-national comparisons of management control systems suggest that focusing on the universal aspects of organisational structuring (the etic view) such as the degree of decentralisation, formalisation, standardisation of procedures etc. reveals little of the underlying causes and consequences of observed differences and similarities (see Child, 1981). Conversely, a concern with locally meaningful elements and “... emphasising the insider’s view and interpretation of the world” (Punnett & Shenkar, 1994) (the emic perspective) is more conducive to delineating a role for semi-conscious, unarticulated rationales whereby management controls are seen as enacted rather than purposefully structured. The new institutionalism perspective stresses an ideographic mode of analysing the basis of management practices. Fig. 1 situates this perspective as placing stress on the emergent nature of management controls rather than their technical purposefulness, and emphasises the contextual focus of the research methods it implicates. The ideographic emphasis placed in particular on exploring the role of ritual and symbol in influencing organisational practices has been the subject of some criticism. For instance, Perrow (1985) suggests that this form of enquiry does not give sufficient regard to organisational and social realities. Donaldson (1995, p. 83) takes this line of critique further by noting that this literature “... repeatedly fails to make analyses of objective effectiveness!” He raises the concern that if influential ideas become institutionalised and are accorded legitimacy by the State, the profession etc..., then “... what is described as legitimate may be successful and legitimate because it is successful” (Donaldson, 1995, p. 63). His critique “... comes from the functionalist contingency theory direction” (Donaldson, 1995, p. 79) and calls for “scientific proof rather than rhetorical means of depicting organizations as ritualistic and irrational” (Donaldson, 1995, p. 63). Donaldson (1995, p. 114) notes however that “... the theory can never be logically verified... the concept of taken-for-granted is ... incapable of empirical test and therefore unscientific”.

Whilst the body of management control research which appeals to the new institutionalism frame of reference is small, it is indicative of the potential role of institutional influences at the level of industries, professions or nation-states in the shaping of organisational structure (Lane, 1995). Studies of management control systems within specific contexts have posited cognitive bases to explain the structuring of organisational practices (Ansari & Bell, 1994; Berry et al., 1985; Colignon & Covaleski, 1988; Czarniawska-Joerges & Jacobson, 1989; Meyer, 1983), and have articu-
lated rationales for the status quo by assessing the impact of institutional forces (Covaleski, Dirsmith & Michelman, 1993; Hogler & Hunt, 1993; Mezias, 1994). Comparative research concerned with institutional influences is now beginning to emerge. Ahrens (1996, 1997) and Ahrens and Chapman (in press), for instance, adopt an ethnographic methodological stance in their studies of accountability and conceptualisation of accounting expertise within British and German breweries. These explorations suggest that there are national differences in the perceived "reality of accounting information" (Ahrens, 1996, p. 139) in representing operational context. Also, Löning’s (1994) examination of differences in styles of communication and information exchange among managers in French and British service sector enterprises leads her to posit associations with national variations in internal accounting practices.

Although these early efforts are laudable, they offer limited insight into the historical rootedness of observed control practices. In part, this is because carrying out investigations that are concerned with how shared typifications and standard cognitive models vary across societies, but are shared within nations, requires relatively significant research resources. There is nevertheless little doubt as to the potential that new institutionalism research offers to explain the basis of organisational structures or practices across different contexts. Its ability to explicate change is, however, less evident. If relationships exist between cognitive effects and organisational structure, one might ask by what mechanism can alterations in systems of control be explained? How can the dynamic between interaction among organisational actors and structural features of their organisations be understood? If taken-for-granted beliefs and widely promulgated rules serve as templates for organising, what ensues when differing institutional logics challenge one another? How do strong local logics of cognition interfere with those that are more widely dispersed? Powell and DiMaggio (1991) suggest that the new institutionalism perspective can shed significant light on the existence of semi-conscious cognitive influences on organisational structuring, but that a clearer understanding of how changes in organisational structures take effect can be derived by investigating the historical origins of institutional influences. The next part of this essay considers a particular historico-theoretical perspective which enables present day structures to be explained in terms of the past.

6. History and management control specificity

To understand how and why organisations across nations are similar and different, an explanation for the "processes whereby organisations might be infused with national distinctiveness" (Child, 1981, p. 305) would seem desirable. National distinctiveness must be demonstrable, and if it is deemed to stem from a society’s past, then links must be shown between historical events and social effects. Establishing such links with the past is not unproblematic (Hopwood & Johnson, 1987; Loft, 1995, 1997; Miller & Napier, 1993), though an examination of the dominant values and enduring normative attitudes as they are shaped historically by social, political and economic changes might be considered a necessary ingredient of any claim about the existence of national specificity resulting in management control distinctiveness. But different approaches to the historical endeavour exist. Historicists for instance appeal to

> ... careful historical narrative, attempting to establish “what happened next” to see if it has the “feel” of a pattern, a process, or a series of accidents and contingencies (Mann, 1986, p. 503)

Their interpretations stress the complexity, uniqueness, and contingency of historical events. The position might be taken that it is more appropriate to determine “... how this man, this person or this state became what it is” (Gadamer, 1972, p. 116) as opposed to “... how men, people or states develop in general” (Gadamer, 1972). Such a view might then be extended to consider
whether one can go beyond seeking to explicate how “this organisation” or “this management control system” came to be what it is. Seeking a more generalist explanation for perceived collectivities must first come to terms with whether the specificity of an organisational context can embed elements of commonality with other organisations which do not carry across borders. Historicists would suggest that parts cannot be analytically removed from wholes, and that historical events being complex and unique cannot support a role for general theorising about causal effects. Such a view is reminiscent of Malinowski’s dilemma, and is inimical to the enterprise of comparing different societies. Comparative history has in effect, been said to be “… an oxymoron to a true historicist” (Kiser & Hechter, 1991, p. 12).

Yet, it must be recognised that diffusion and imitation connect societies across time and space (Powell & DiMaggio, 1991). The problem of “connection” is not limited to “contamination” across time, but also across contexts, and needs to be addressed in cross-national analyses seeking to be historically informed. The French historian Braudel (1977, p. 46) argues for the recognition and investigation of such links. He considers action as having a connection with the past, and as providing a basis for that which follows:

... there has never been a total breach, an absolute discontinuity ... or a non-contamination ... between the past, even the very distant past and the present. Past experiences continue into the present, adding to it.

Similarly, social anthropologists support a role for history in understanding the present. Sahlins (1985, p. 34), for instance, states that “… different cultural orders have their own modes of historical action, consciousness, and determination-their own historical practice” and that “… culture is precisely the organisation of the current situation in the terms of a past” (Sahlins, 1985, p. 155). Evans-Pritchard (1956, p. 59) also makes the point that

... to know a society’s past gives one a deeper understanding of the nature of its social life at the present time.

Foucault’s (1961, 1966, 1975) works on the history of systems of thought have also been concerned to “… understand the present as a product of the past and as a seedbed for the new” (Sheridan, 1980, p. 82). The view that history can be drawn upon to explain the present has been the basis for pioneering studies of the national rootedness of management practices and organisational forms (Abegglen, 1958; Crozier, 1964; D’Iribarne, 1989; Locke, 1996), and is supported in the conclusions of a number of recent cross-national research studies of organisations. For instance, Gallie’s (1978, p. 318) investigation of the implications of advanced automation on different facets of activities in a set of British and French organisations leads him to conclude that:

We will need to… examine the ways in which different historical experiences have generated distinctive cultural and social structural patterns.

Child (1981, p. 329) also stresses that

... the pattern of past action within a nation, particularly as reflected in its institutional development, should draw attention to contemporary cultural products which are likely to be relatively persistent in nature (Child, 1981).

and notes that:

The optimum might appear to combine historical and institutional insight with a careful sampling of values among present-day populations of the nations in which organisations are to be compared (Child, 1981).

In this light, it might be held that in order to gain an appreciation of the homogenising factors influencing systems of management control across organisations, an historical analysis of their national context would be appropriate. Such an analysis would permit the identification of enduring forces which become manifest in political, economic and institutional events and changes. It would thereby provide a means of identifying dominant conditioning influences whilst also permitting a deeper understanding of their institutional origins and source of sustenance.
If organisational change and therefore structure is considered to be immanent within a wider process of social change, and to be involved in both constructing and in being created by its broader environment, then understanding organisations must involve, at least in part, an exploration of the nature of broader economic transformations, social processes and political shifts. Questions must be asked about conditions and mechanisms of continuity, disruption and change of the social order. But such an analysis raises questions about the time period over which an examination of transformations in organisational controls must extend.

If the view is taken that an organisation’s mode of functioning, at any point in time, stems both from present forces as well as from its past, then the period over which the structure of the organisation is studied cannot exist in a vacuum. No choice of time frame is likely comprehensively to encompass all that may have a bearing on a management control system’s structure. In the context of cross-national studies in particular, a composite of different times moving at different speeds may be seen to prevail across societies essentially constituting a “diachronic assemblage” (Lucas, 1985, p. 7). The past may not simply be narrated as a series of synchronic events which can be conceived within a linear time frame whereby each development is likely comprehensively to encompass all that may have a bearing on a management control system’s structure. In the context of cross-national studies in particular, a composite of different times moving at different speeds may be seen to prevail across societies essentially constituting a “diachronic assemblage” (Lucas, 1985, p. 7). The past may not simply be narrated as a series of synchronic events which can be conceived within a linear time frame whereby each development is seen as identifiable through chronological links with a beginning and an end. Rather, history may be assumed to transpire at varying speeds in different contexts over any one period of time. This renders problematic the choice of a time frame for undertaking an historical explanation of the provenance of management control systems across different national contexts.

One approach to historical study has been to supplement the examination of short sequences (courte durée) of heterogeneous events with the investigation of the emergence of practices over long periods of time (longue durée) whilst bridging the two with medium length units of time (conjoncture). The object of such temporal partitioning is to compile a “total history” (La Capra, 1985, p. 117). An alternative methodological approach has been adopted by “new” historians interested in the history of mentalities (see for instance, Ariès, 1962; Darnton, 1984; Duby, 1980; Schorske, 1980). Rather than to delineate a chronology of historical events, certain historians of mentality are concerned to reconstruct beliefs and value systems by examining rituals and ceremony under an ethnological perspective. The historian of mentality...

... presupposes that in principle every society possesses simultaneously diverse cultural milieus which are juxtaposed and interlocking and transmitted by language, myth and upbringing (Glenisson, France, Iggers & Parker, 1980, p. 182).

Rather than explain the actions of particular individuals, such an history aims to examine what these particular individuals shared with others of their time. What is sought is to investigate the origins of modes of consciousness, the conditioning elements of human subjectivity, and the regularity of forms of thought in particular contexts. The concern is to understand...

2 This view has been adopted by the Annales school which emerged in France during the 1930’s and which departed from the traditions of historiography privileging the “event”. (On the history of history-making in France see Burke, 1980; Hay, 1990; Lucas, 1985; Stoianovich, 1976; and Stone, 1977).

3 Whereas the “old” school; has viewed the “natural” mode of historical writing as essentially narrative” (Himmelfarb, 1987, p. 3) and has placed particular importance on delineating sequences of heterogeneous events, the emerging “new” history perspective was initially, more analytic, relying on statistical tables, oral interviews, sociological models and psychoanalytic theories. Tensions between the two schools centred on the judgement by the new breed of historians that history could not be value-free and that historical facts were in effect constructs. The view that historical events represent individual moments which can be gleaned through examining documents without regard for the broader context were questioned. The new school until the 1960’s, sought to create a...
... the collective mentality that regulates, without their knowing it, the representations and judgements of social subjects (Chartier, 1982, p. 23).

Such a view is also evident in the works of Foucault (1961, 1966, 1975). In order to understand systems of thought and “... long-range trends in the alteration of the structure of the psyche” (Hunt, 1986, p. 217), Foucault focused on the network of institutions and practices which have imposed specific forms of subjectivity on individuals. He sought to shed light on how and why a practice is constructed in its specificity and how that specificity is anchored to other social practices. Moreover, he attempted to excavate the hidden forms of regularity not accessible to consciousness, but which have made particular practices possible objects of knowledge:

... what I am trying to do is to grasp the implicit systems which determine our own most familiar behaviour without knowing it (Foucault cited in Megill, 1979, p. 492).

Broadly, “new” historians have been concerned to investigate the internalised conditionings that escape conscious knowledge, and that cause a group or a society to share a system of representation and a system of values without the need to make them explicit. Such history “... takes as its object the collective, the automatic and the repetitive” (Chartier, 1988, p. 29), and deals with the collective mentality that regulates the perceptions and judgements of social agents without their knowledge. Its starting point is that:

Automatic gestures, spontaneous words, which seem to lack any origins and to be the fruits of improvisation and reflex, in fact possess deep roots in the long reverberations of systems of thought (Le Goff, 1985, p. 170).

Linked to his distinctive conception of the historical enterprise, Foucault has put forth a specific view of the subjectification of the individual:

Foucault defined the essence of the civilizing process as one of increasing discipline. Spontaneous behaviour was tolerated in the Middle Ages; in the early modern period increasingly sophisticated systems of external restraints were imposed in the name of morality; and in the modern era, the external constraints were internalised (Hunt, 1986, p. 217).

Grumley (1989, p. 196) suggests that Foucault saw individuals as “conditionable beings” whose socialisation takes place in an array of institutions and within a set of practices which impart particular norms, values and ideals and which shape emotions, commitments and attitudes. The social creation of the tractable being is not the result of a guided exercise of power, but is affected by the existence of parameters constraining the individual’s scope of actions. Practices are informed by a movement to discipline and amplify the powers of the human body, to maximise its utility and to produce its “willing” and “automatic” docility (Foucault, 1961, p. 169). They delimit the doable, the knowable and the sayable, and the individual therefore becomes “bound to invisible rules in everything he says and does” (Burguière, 1990, p. 133).

The social creation and conditioning of the individual brings into existence and helps sustain what Miller (1987, p. 1) has referred to as “regulatory practices of the self” which act as norms of discipline based on notions of truth which are specific to a certain space and time. The study of power relations in this light is one of historically and regionally specific practices that may subsequently become generalised and diffused. Wright (1998, p. 9) notes that Foucault has

... documented how knowledge about mental health, sexuality and criminality in the 18th and 19th centuries became the basis of new practices on which institutions were built. These institutional practices shaped perceptions, categories, values and behaviour.

For instance, in his early works on madness, Foucault (1961) examined a point in history where reason and madness were undifferentiated and traced the subsequent emergence of a conception of mental illness. He sought to
... retrace in time that constant verticality which confronts European culture with that which is not (Foucault, 1961, p.10).

Foucault considered the great confinement period as a phenomenon of late seventeenth century European society where those who were mad, unable or unwilling to work, as well as other “immoral or unreasonable people were enclosed” (O’Farrell, 1989, p. 75). The construction of madness as a differentiable category was not independent of the political pursuit of enhanced work output in European states over the eighteenth century. Following developments in clinical practices, “... reason ceased to be for man an ethic and became a nature” (Foucault, 1966, p. 103) by the beginning of the nineteenth century. The conceptualisation of madness as a clinical state of nature is to Foucault (1966) a “local” and historically specific concept of knowledge. Its emergence is contextual (European) and seen as tied to circumstantial conditions of possibility (principally the State's pursuit of economic growth and the proliferation of institutionalised knowledges). What may be seen as “fundamental” (Bernstein, 1983, p. 9). (such as reason as a state of nature) is in effect, “culturally and historically specific” (Bernstein, 1983, p. 9).

Foucault’s (1975) work on the prison and the emergence of the modern penal system also points to the contextual and circumstantial nature of knowledge production. Here his concern was to depict discipline as a particular technique for the organisation and regulation of individuals that has become widespread in modern European societies. He saw this as having been made possible by a significant increase in economic production at the beginning of the eighteenth century concomitantly with the harnessing of labour power. In delimiting the context within which disciplinary transformation took place, Falzon (1998, p. 48) argues that Foucault’s works on the prison and disciplinary practices suggest that “being shaped and directed in accordance with cultural forms is part of the process by which human beings are historically constituted”. In other words, alterations in systems of penal reform were bound up with shifting conceptions of normative selfhood in Europe over the period in question.

Broadly, Foucault’s (1961, 1975) works on madness and criminality are suggestive of social orders which are contextually specific, and which “come to be set in place, without the need for any overall controlling plan or project” (Falzon, 1998, p. 47). Historical events are not teleologically governed. Historical processes give rise to the emergence of events that are “discontinuous, divergent and governed by chance” (McNay, 1994, p. 89). It is chance in this light which offers time and space specificity to practices, and which opens up the possibility of investigating the antecedents of organisational arrangements, and the variations in such arrangements across different national contexts.

Foucault’s work as part of the “new” history is relevant to cross national management control research in terms of his critique of the notion of the “foundational subject” (Falzon, 1998, p. 3) and his rejection of absolute, overarching, unifying standpoints. Concepts of knowledge, truth and ethics are seen as local and historically specific. Human nature and personal creativity are viewed as consequences of forms of knowledge, social formations and political practices which are time and space dependent. Even the notion of justice is, to Foucault, (cited in Barker, 1998, p. 74)

... an idea which in effect has been invented and put to work in different types of societies as an instrument of a certain political or economic power.

It is this skepticism concerning the existence of any universal, permanent, ahistorical standpoint, framework or essence to which appeal can be made in determining what may count as reason or knowledge, which is conducive to the notion of contextualized rationality:

There are in fact many rationalities, all of them the product of very concrete historical practices (Foucault cited in O’Farrell, 1989, p. 125)

This anti-foundational stance furthers the notion that organisational practices are ultimately socially rooted and devoid of essence. Although Foucauldian and other postmodern interpretations of organisational control and accounting
practices have been the subject of critiques (Armstrong, 1994; Arnold, 1998; Neimark, 1994; see also Grey, 1994; and Hoskins, 1994), the “new” history perspective offers a means of exploring the antecedents and the basis of the “many rationalities” (Foucault cited in O’Farrell, 1989, p. 125) underlying management practices across different contexts.

The “new” stance to history which rests on particular historiographical assumptions posits a particular conceptualisation of control. In examining historical trajectories in given contexts, the notion of a total “reality of the past” (Foucault, 1981, p. 14) is eschewed in favour of investigating the “discourse of true and false” (Foucault, 1981). Conceptions of truth and notions of propriety determine propensities, attitudes and predispositions which, in turn, can be taken to condition forms of control. To understand the structuring of management control systems, it is necessary to examine conditions generating truth and to investigate the history of the “objectification” (Foucault, 1981, p. 5) of elements which come to be taken as axiomatic within the domain of management practice in a given context (a defined collectivity or a nation say). The espousal of particular truths creates invisible self-willed controls within individuals, and thereby renders possible the existence of particular and compatible management controls. Within this perspective, management controls may be said to be operative within a framework of individual subjectivity acting as “… systems that quietly order us about” (Foucault cited in Megill, 1979, p. 493). The functioning of specific forms of management controls within the organisation may be viewed as being co-terminus with the socially constructed make-up of the individual.

Organisations structure management controls to effect possibilities for their governance by exerting constraints on the behaviour of individuals and imposing limits on their actions (Miller & O’Leary, 1987). Certain controls may complement an individual’s subjective predisposition without subverting his or her will. They may embody that which the individual is subjectively predisposed to, and affirm his or her conditioned expectations or, in contrast, they may constrain his or her will by establishing parameters of action compatible primarily with the pursuit of emergent organisational priorities. The characteristic specificity of an organisation’s mode of management control is thus determined both by that which accords with the subjective orientation of the individual and that which corresponds to the organisation’s socially constructed role, both of which are linked to historical antecedents and contemporary rationalisations.

Within this perspective, the peculiarities and characteristic specificities of particular management controls are not seen as deviations from a correct universal form. Rather, management controls are taken to be contextually determined by the nature of the individual’s subjectivity and the specific social conditioning of the organisation. Ultimately, a particular mode of organisational functioning and regulation is influenced by effects shaping the social nature of both the individual and that of the organisation. The emergence of self-controls among individuals, and the historical process underlying the social construction of the normative organisation, have to be appreciated contextually before an understanding of international variety in management controls can be developed.

The positioning of the “new” history frame of reference to cross-national research in Fig. 1 is reflective of the socio-contextualized notion of “subjective-expressive” (Wuthnow, Hunter, Bergesen & Karzweil, 1984, p. 3) human predisposition, and the concomitant emergence of management controls. If internalised conditionings are seen as escaping conscious knowledge and enabling a group or a society to share a system of representation and values without needing to make these explicit, then knowledge of cultural attributes cannot be mobilised to construct particular forms of management controls reflective of subjective predisposition. Management controls are in this sense emergent rather than purposefully designed a priori.

In the context of the “new” historical perspective, homogenising forces within a collectivity are seen as arising from the division between true and false which gives rise to “programmings of behaviour” (Foucault, 1981, p. 10). Where such con-
ditioning is seen as immanent in organisations within a nation, management control systems evolve characteristic features which reflect enduring propensities consistent with those found in their broader national setting. If the discourse of the true and false can be equated with a homogenising order, then the subjectivity of the individual and the social conditioning of the organisation will be informed such as to enable particular forms of management controls to exist. As such, the historical contingency of forms of management control is demarcated within the perspective of regimes of truth which direct the subject’s, as well as the organisation’s existence. In this light, the collective or national specificity of management controls may be discerned by examining the genesis of conceptualisations of truth which alter, affect, and influence the social space within which subjects and organisations exist.

7. Discussion

Cross-national research in management control is methodologically at a stage of infancy. Whilst a body of comparative research has been documented, it has largely been undertaken in the wake of methodological frames of reference existing in other areas of management research which have been subject to heavy criticism for at least three decades. The contingency view stems from theories of universalism and functionalism which are increasingly deemed to be conceptually untenable. The culturalist perspective, whilst appealing to notions of the social dependency of management controls, also finds its roots within a deterministic frame of logic. Studies of these two genres have sought to establish significant statistical inferences, whilst disregarding methodological precepts deemed important in more established social science disciplines.

Early efforts within the “societal effects” perspectives have produced fruitful comparative results in terms both of substantive methodological underpinnings as well as potential depth of analysis. This stance is rigorously grounded within a body of theoretical propositions lending focus and analysability. Its advocates make explicit, however, the desirability of extending the frame of reference to encompass institutionalist understandings of the provenance of forms of organisational structuring and management controls.

New institutionalism has emerged from established research traditions within the organisational sociology discipline. Its focus on the analysis of organisational actors’ subjectivities, and their contextualized conceptions of social reality and the attendant enactment of management controls, enriches the potential conceptualisation within which cross-national research can be framed. Although little comparative management control research has been guided by the new institutionalism perspective to date, our understanding of how organisational practices can be explained by analysing collective-subjective elements is increasing. The potential for cross-national research in management control remains extensive within this frame of reference.

This paper has suggested that the “new” history frame of reference opens up the possibility for a conceptually substantive approach to comparative cross-national management control research. This particular view which is concerned with the exploration of the conditions which may underlie management control specificity at the level of collectivities draws upon rich descriptions of context complemented by historical analysis of observed practices (Miller, Hopper & Laughlin, 1991). Moreover, this perspective theoretically encapsulates a notional frame of reference for understanding control within the context of human subjectivity. This lends plausibility to comparative research which can position itself alongside a growingly established body of accounting control research that attempts to offer an understanding of present configurations in terms of the past (see Covaleski, Dirsmith & Samuels, 1996; Dillard & Becker, 1997; Hopwood & Miller, 1994; Luft, 1997).

The methodological approaches to cross-national management control research discussed here do not delimit a comprehensive locus of possibilities. Nor is the representation developed in Fig. 1 implied to encompass all such loci or indeed to be conceptually chaste in its own terms. The present discussion should only be seen as offering
a tentative starting point for debating about and engaging in further comparative research along new agendas. Moreover, it is understood that the various perspectives presented here may be seen by some as complementary, and by others as alternatives, given that they span differentiated epistemological and ontological research assumptions. It is believed that such differentiation can only be of value in a domain which, by definition, presumes scholarship predisposed to unravelling diversity, multiplicity and plurality.

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