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NORDIC PHD PROGRAM IN MANAGEMENT ACCOUNTING  
**Theorizing and modelling in empirical management accounting research**

Research students in accounting are invited to attend a course in *Theorizing and modeling in management accounting research*, equivalent to 7.5 ECTS points. The course is organized by the Nordic PhD Program in Management Accounting.

### **Background**

Regardless of research field and traditions, high-quality empirical research requires strong linkages between more general theoretical assumptions, study-specific conceptual model(s), and data analysis. This course focuses on the first linkage, and involves a number of critical issues. What is the appropriate level (or levels) of analysis – is it on an individual, group, organization or organizational field level? Another issue addresses the conceptualization of management accounting and other phenomena. For example, should they be defined by practice (e.g. balanced scorecards, budgets and JIT-systems) or should they be defined by their theoretical properties (e.g. financial measures versus non-financial measures). Still another issue deals with the assumptions made about directions and forms of relationships. For example, are relations unidirectional or do they go in both directions? And if the latter is assumed – are they cyclical or are they reciprocal?

This type of questions needs to be explicitly addressed in empirical research, irrespective of whether you adopt an essentially deductive or inductive approach. However, several recent literature reviews have shown that accounting scholars are oftentimes vague and even develop research models which are inconsistent with overall theoretical assumptions. It is also often the case that models developed within particular research fields have very dissimilar theoretical implications. Yet, there are rarely any explicit discussions about how, and in what respects, such models can be related to each other. As a result, researchers sometimes claim that their results are contradictory when this is not necessarily the case, while others incorrectly argue that their results are strongly supported by previous studies. Overall then, this makes it difficult for especially young scholars to grasp the state of the art of their research areas and, not least, to develop strong and solid research contributions.

### **Aim and content of the course**

The overall aim of this course is to develop the participants' ability to critically reflect upon how management accounting phenomena are conceptualized and modelled in the extant literature, and to make informed modelling decisions in their thesis work.

The course starts out from a general discussion about what theory is (not), followed by an overview of commonly used approaches to theorizing and modelling in management accounting research. Based on this, it will then be discussed in detail how models are built within three strands of the management accounting literature, namely, research based on contingency theory, new institutional theory, and old institutional economics (OIE)/structuration theory. These strands are specifically chosen as they together cover a wide array of approaches to theoretical modelling, including quantitative and qualitative types of modelling, various levels of analysis, and different ways of conceptualizing management accounting phenomena (and other phenomena) and relations between these.

### **Format and structure**

The course consists of three intensive two-day meetings requiring individual studies prior to each meeting. The first session introduces the general framework that will be used throughout the course. Based on this, contingency-oriented studies from leading accounting research journals will then be analysed and discussed. The second session has a similar character, but addresses literature based on new institutional theory and OIE/structuration theory, respectively. It builds on presentations and discussions of the literature by the participants. Also the third session is based on participants' presentations, this time of their individually written papers. Each paper should include an extensive and critical literature review of their specific research area and, when appropriate, a discussion of alternative ways of formulating research models in their thesis work.

### **Preliminary literature list (to be completed):**

#### *What is theory (not)?*

- Suddaby, R. (2006). What grounded theory is not. *Academy of Management Journal*, 49, 633-642.
- Sutton, R.I., & Staw, B. M. (1995). What theory is not. *Administrative Science Quarterly*, 40, 371-384.
- Weick, K. E. (1995). What theory is *not*, theorizing *is*. *Administrative Science Quarterly*, 40, 371-384.

#### *Theorizing and modelling in management accounting research—an overall framework*

- Bisbe, J., & Batista-Foguet, J-M., & Chenhall, R. (2007). Defining management accounting constructs: a methodological note on the risk of conceptual misspecification, *Accounting, Organizations and Society*, 32, 789–820.
- Luft, J., & Shields, M. D. (2003). Mapping management accounting: graphics and guidelines for theory-consistent empirical research. *Accounting, Organizations and Society*, 28, 169–249.

#### *Contingency theory*

- Gerdin, J., & Greve, J. (2004). Forms of fit in management accounting research: a critical review. *Accounting, Organizations & Society*, 29, 303-326.
- Gerdin, J., & Greve, J. (2008). The appropriateness of statistical methods for testing contingency hypotheses in management accounting research. *Accounting, Organizations and Society*, 33, 995-1009.

Chenhall, R. H. (2003). Management control systems design within its organizational context: findings from contingency-based research and directions for the future. *Accounting, Organizations and Society*, 28, 127-168.

Plus representative examples of contingency-oriented studies

*New institutional theory*

Abrahamson, E. (1991). Managerial Fads and Fashions: the diffusion and rejection of innovations. *The Academy of Management Review*, 16, 586-612.

Abrahamson, E., & Rosenkopf, L. (1993). Institutional and competitive bandwagons: using mathematical modeling as a tool to explore innovation diffusion. *The Academy of Management Review*, 18, 487-517.

Lounsbury, M. (2008). Institutional rationality and practice variation: new directions in the institutional analysis and practice. *Accounting, Organizations and Society*, 33, 349-361.

Plus representative examples of diffusion-oriented studies

*Old institutional economics (OIE) and structuration theory*

Burns, J., & Scapens, R. S. (2000), Conceptualising Management Accounting Change: An Institutional Framework, *Management Accounting Research*, 11, 3-25.

Englund, H., & Gerdin, J. (2008), Structuration theory and mediating concepts: Pitfall and implications for management accounting research. *Critical Perspectives on Accounting*, 19, 1122-1134.

Macintosh, N., & Scapens, R. (1990), Structuration theory in management accounting, *Accounting, Organizations and Society*, 15, 455-477.

Plus representative examples of OIE/structuration-oriented studies

*Individual paper*

Some 15 texts from the participant's research area