

## **Week 8\_WS : Management Accounting Change & Sustainable Development**

Please read, comment and discuss quotation from Contrafatto & Burns (2013) paper. In addition, answer the following questions. Be prepared to discuss your answers with your classmates.

“We have investigated the complex, interrelated and cumulative relationships between organisational change and SEAR practices, but also the role of management accounting in facilitating such organisational dynamics.[...], we have combined Laughlin’s ‘environmental disturbances’ framework and an OIE-informed perspective on organisational change to make sense of the unfolding dynamics between the environment, organisational and, more specifically SEAR, practices. Exogenous factors were seen to continually interplay with the intra-organisational sphere, and have ongoing potential to shape the (re-)actions of powerful agents; and the interaction between emergent SEAR-related rules and routines was influential upon, and implicated in broader organisational change (and vice-versa). Important to, and weaving throughout this ongoing process of change was the production, use and evolution of information within the case company. Information, mobilising various calculative techniques but most prominently management accounting, was necessary to visualise and make sense of the changes that were taking place, not only in terms of SEAR practices but also in broader organisational terms. However, although we witnessed technical ‘success’ in terms of implementing new SEAR practices, our case also highlighted that these sustainability-related developments needed to be carried out within an assumed profit-oriented model. Furthermore, if an important aim is to be encouraging more ‘sustainable profits’, we should be cautious about simply trying to extend conventional management accounting tools and techniques. As discussed above, future notions of ‘profit’ will not necessarily replicate ‘profits’ that persist in management accounting today; the journey forward in SD will almost certainly demand changes in the practice of management accounting.” (Contrafatto & Burns, p.364-365)

### Questions

1. What are the main challenges we face when confronted with SD-related issues? What are the risks related to global warming?
2. What changes are required to achieve a more sustainable business and society? How and to what extent are organizations implicated in such processes?
3. How and to what extent is management accounting involved (or may be) in promoting changes in business and society towards SD?
4. What could be the contribution of Strategic Management Accounting techniques? Provide a few practical examples.