

Lecture week 11_3_WS: Management Accounting, Control & Power

Please read and critically review the below quotation. In addition, based on your reading of the Miller & O’Leary’ (1987) paper, answer the following questions. Prepare your answers on paper to present and discuss with your classmates.

“In defining our concern as with “construction of the governable person” we would not want to imply an image of a totally obedient individual. We wanted rather to examine the programmatic frameworks and power relations in terms of which the lives of individuals are viewed, measured and supervised. [...]. What is at issue in [the] more recent development in [accounting] is a form of power which operates through freedom: a freedom for the individual to have an informal life within the organization, [...] and to be influenced by the environment outside the firm. In its more recent development, accounting has provided for such a freedom in its attempts to incorporate the behavioural and the decision-maker within its sphere. In so doing, we would suggest that accounting today can be viewed as in continuity with [the past], albeit in a considerably modified form, a mode of exercise of power which was installed in the early decades of this century” (Miller & O’Leary, 1987, p. 263)

Questions:

1. According to Miller & O’Leary (1987), why has standard costing and budgeting developed?
2. How were standard costing and budgeting implicated with the controlling individuals?
3. What does it mean to “construct a governable person”?
4. What is the relevance of the “history” for Miller & O’Leary? What are the differences with the Kaplan’s history?
5. What lessons can you learn from this paper? What is management accounting?