

TOPIC 1 – ONTOLOGY

Management Accounting is the use of accounting for management decision making, controlling and motivating. It is used as a tool of directing the subordinates to the objectives of management. It is often framed as a tool for individual development and also has an underlying purpose to align the individual interests with that of the firm.

Control element (mission statement, setting targets)

Bigger picture → Strategy; diagnostic and behaviour measurement through setting limitations and rules/

Social/Psychological → Who do we employ? And what basis?

Current issues: managers aren't always honest with their performance. We have to think about why managers are trying to portray/represent something → what are they trying to achieve?

Philosophical problem

- 'Maybe accounting, in the way it sees problems itself a problem' – Zizek. Accounting constantly trying to objectify a reality that be inherently subjective. Traditionally, can only see things; measurable; easily determined etc. Accounting has an inherent discriminating bias. Identifiable economic things are therefore the only things that add value.
- Seeing the world through profit/loss can create efficient resource allocation but can also lead to opportunistic, exploitative behaviour and mentalities.

Ontology

- The most basic philosophical concept; how do I see the world? What is my relationship with the world? We are rarely conscious of our ontological view.
- Hard Ontology (realism): objective truth is external to the observer and exists independent of the observer (e.g. Science)
- Medium Ontology (social constructivism): objective truth = truth is agreed upon in a forum with participants. It is perceived through the external world but it is accepted by everyone. Without human interaction → none of it is true (e.g. the law)
- Softer Ontology (idealism). Subjective truth: reality is constituted within the person's mind. Many of our perceptions or experiences are constituted from within the mind. "reality is only what is in the mind"

Ontology and Accounting

- Hard
 - Accounting information is objective truth. Anything left out of the balance sheet is irrelevant. Accounting numbers is the only real objective truth about companies.
- Medium
 - Accounting is generally accepted social truth. Accounting is a language or discourse which contains truth everyone subscribes to. Accounting is not objectively true but still has value. It lets me compare different companies, different employees. I know accounting could be inaccurate so I use it to complement other forms of information and knowledge.
 - We need people to agree on things for accounting to be useful.
- Soft
 - Constant use of accounting may lead me to see other people as assets or commodities. I can see myself in terms of accounting numbers (Roberts and Scapens). Or I can use accounting (CSR reports) to persuade others and myself that I am ethical.
 - Trying to understand accounting for the perception of the user. How accounting constitutes us as individuals. How do people use accounting to present themselves to others? (e.g. ethical) → CSR reports produced for others to see and perceive the author as they intend to be seen.

TOPIC 8 – Environmental Management Accounting

Reading 1 – Milne: 'On Sustainability; the environment and management accounting'

Definitions:

Sustainability: The ability of the current (generation) to meet their needs without compromising the ability of future (generations) to meet their needs

Key Points:

- Currently, corporate accounting generally and particularly management accounting fail to account for the implications of non-market activities that are associated with the private sector and their effect on the biophysical environment.
- Integrating environmental concerns into accounting will come in part from focusing on developments in other disciplines, particularly the natural and social sciences, which have a much longer history of analysing environmental problems.
- Additional developments for management decision-making and education, for example, social cost-benefit analysis and non-market valuation techniques would assist with these issues. Consideration for scale of economic activity in relation to ecosystem activity and integration into cost-benefit analysis is necessary.

Discussion/Other Notes:

- Traditional accounting procedures concentrate on quantitative measures of economic transactions and ignore the social costs of environmental pollution, of resource misallocation, or of project impact on cultural and ethical values.
- Consideration of these items may be included as qualitative elements in project analysis.
- Corporate decision makers are increasing their reliance on environmental accounting in their reports, not only for the benefit/as a result of increased public pressure and of users, but also because of increased regulatory requirements and the significant costs of environmental damage associated with external failures.
- By failing to include environmental management accounting potentially provides insufficient information to decision-makers for their decisions.
- If others are better suited to provide better information with environmental impact information, management accountants should at least be aware of the possible constraints such information may place on their accounting analyses. Such analyses can facilitate the development of more integrated corporate decision support systems.

Summary/Conclusions:

- By recognizing economic values, social values and ecological values for environmental resources, a three dimensional framework is developed by which to conceptualize sustainable decision making.
- Management accounting at present is largely consistent with the approach of 'no accounting for nature', in which the economic objectives for environmental resources are largely pursued.
- Milne suggests two possible approaches: accounting for externalities and accounting for sustainability.
- Sustainability raises the issue of the scale of economic activity in relation to the ability of natural ecosystems to continue to support such levels of activity indefinitely.
- Sustainability appears to require approaches which determine constraints on economic activity based on ecological information from regional long-term monitoring.
- Sustainability requires the subordination of traditional economic criteria to criteria based on social and ecological values. Criteria based on existing social values, to the extent they assume unlimited resources needs replacing.
- It may be difficult for accountants and others to accept that profitable and efficient projects are not acceptable when such projects are, or risk, violating critical ecological functions.

TOPIC 11. MANAGING THE SELF (ACCOUNTANT)

Reading 1 – Career as a project of the self and labour process discipline (C. Grey)

Abstract

- Panoptic techniques of disciplinary power, project of self-management has become a defining feature of contemporary subjectivity. The pursuit of career is seen to have the potential to transform techniques of disciplinary power into adjuncts of these projects of the self.

Introduction

- Role of career projects can play in transforming subjects' experiences and understanding of workplace surveillance.
- Panopticon model draws attention to the use of techniques of surveillance which render visible the most minute details of individuals' behaviour.
- Panoptic techniques can serve as the basis for intentions in behaviour which is seen to be undesirable or unproductive and have the effect of creating self-disciplined behaviours amongst those subjected to surveillance.
- Individuals are to become...entrepreneurs of themselves, shaping their own lives through the choices they make among the forms of life open to them (*Rose 1989*)
- The Citizen...is engaged in a project to shape their life as an autonomous individual driven by motives of self-fulfilment (*Rose*)
- Townley depicts HRM as a power/knowledge regime which facilitates the construction of subjectivity through surveillance and socialisation (*Fox 1989, Knorr Cetina & Knorr Cetina 1992*)
- The self is seen as a reflective project, for which individuals are fully responsible. We are, not what we are, but what we make of ourselves (*Giddens 1991*)
- The term career collapses usage such as: a vocation, a category, the practice of having a career.
- Career as part of the self can constitute a process discipline and surveillance in certain, and, supposedly, benevolent ways.
- Project of self-management links the real and the possible, dreams and day-dreams. It links past, present and future through vector of time.
- Project of self-management might be said to consist of the construction of our lives as total institutions. Career offers a vehicle for the self to meet this demand.
- Argued that some projects within the accounting labour process are animated by the pursuit of careers and that this entails a process which is present before entering work. Equally, the pursuit of career can involve the displacement of values, goals and relationships, and thus exceeds the workplace.
- It is this sense of a project of the self through work which is offered within organisations as career. Career is then experienced by individuals through career.
- Distinction between those who internalise the demand for enthusiasm so that it becomes part of their subjectivity and those already constituted as subjects for whom the project of career animates the motivation without any need for the inculcation of enthusiasm.

Accounting Career

- The accounting practice is a pyramid – 1 partner, 10 trainees, 5 accountants, 3 managers. Also in terms of the variety and interest of work performed.

New Recruits

- Brochures and presentations – purpose is to encourage the best students to apply. Development of extra-curricular activities in anticipation of job application is commonplace – not so much a presentation of a false picture of self, so much as the continuing realisation of a project of the self.
- 1 interviewee working towards the goal since 14, always wanted a good career, Economics, good academic record and co-curricular (golf team).
- White, male, middle-class dominant. (beer, football, Australia, work hard, play hard, lack of critical reflection).