

# Accounting History and Theorizing about Organizations

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# Plan of presentation

General motivation for paper

Emergence of theory in accounting history

Accounting and organizing

Implications

# Motivation

The three authors have contributed to literature on accounting history:

- Substantive archival research

- Contributions to accounting history methodology

- Editors of journals publishing accounting history

What are, and what should be, the roles of theory in historical accounting research?

Can business history, management history, organization history, learn from accounting history (and vice versa)?

# Emergence of theory - 1

Much early historical writing in accounting was descriptive, with little if any explicit theorizing

Influence of Chandlerian “new business history”:

Transaction cost economics as explanation

Johnson & Kaplan Relevance Lost

Academy of Accounting Historians:

History as social science vs. History as descriptive narrative  
(Previts, Parker & Coffman, 1990)

# Emergence of theory - 2

Critical and interdisciplinary research in accounting

Key figures:

Anthony Hopwood

Tony Lowe

The “New Accounting History”

# Eclectic range of theories

## **No explicit theory**

Descriptive narrative

Bibliographic

Functionalist

## **Economic theory**

Transaction costs

Generic political economy

Labour process

Marxist:

Standard

Heterodox

## **Social/political theory**

Foucault:

Power/knowledge

Governmentality

Latour

Other French theorists:

Baudrillard

Bourdieu

Deleuze & Guattari

Derrida

German critical theory

Institutional theory

Gender

Sociology of the professions

Legal theories

# Llewellyn and different levels of theory

1. Theory as **metaphor**
  - translating what is observed into new language
2. Theory as **differentiation**
  - categorizing and distinguishing
3. Theory as **conceptualization**
  - organizing practices into general ideas
4. Theory as **contextualization**
  - understanding particular settings more broadly
5. Theory as **total explanation**
  - grand theories of social structures

# Accounting and organizing - 1

## Defining the organization:

Making things visible

Objectifying phenomena

Creating a domain of economic action

Accounting as an instrument of power and domination

Broadening range of contexts in which role of accounting is studied



# Accounting and organizing - 2

## **Sustaining** the organization:

Internal accounting – costing and controlling

External accounting – reporting to finance capital

Accounting both drives and reflects organizational strategies and processes

Historical roles of accounting investigated in diverse contexts and industries

# Accounting and organizing - 3

## Changing the organization:

Direction of influence – does accounting change follow organizational change or drive it?

Modelling change – shocks and drifts

Roles of external stimuli

## Level of change:

Individual organizations

Society

# Implications - 1

Embeddedness of accounting in organizations and society

Tensions between “social science” and “history” perspectives

Accounting history in opposition to “mainstream” accounting research, which claims to be “archival-empirical”

# Implications - 2

Theorizations often used to explain particular cases, rather than cases being used to test theories:

- Theory as metaphor and differentiation

- Sometimes theory as conceptualization or contextualization

Accounting history as a source of evidence, but often resistance to idea of theory as total explanation