
AKKUMULATION

INFORMATIONEN DES ARBEITSKREISES FÜR KRITISCHE UNTERNEHMENS- UND
INDUSTRIEGESCHICHTE

Nr. 13/2000

Unternehmen unterscheidet von anderen Organisationen – so die landläufige Meinung – daß sie über das Prinzip der Gewinnmaximierung strukturiert werden und die Akteure nach diesem Prinzip handeln. Was aber, wenn die Akteure gar nicht wissen, was der Gewinn ist?

Die deutschsprachige Unternehmensgeschichte hat bislang dem unternehmensinternen Rechnungswesen allgemein wenig Bedeutung geschenkt. Ganz anders ist dies in der englischen und amerikanischen Business History gewesen, in der man mit dem Begriff der „Accounting History“ eine eigene Spezialisierungsrichtung, die - im Deutschen schlicht nicht übersetzbar - sich genau den Fragen der Informationsfunktion unternehmensinterner Rechnungssysteme für die Unternehmenssteuerung zuwandte. Trevor Boyns wird diese Tradition der anglo-amerikanischen Forschung vorstellen, wobei deutlich wird, daß diese Tradition nicht zuletzt aus der Nähe von Business History und Business profitierte, wie sie in den Business Schools institutionell gesichert ist. Für den deutschen Fall lassen sich nur wenige Arbeiten ausmachen, die sich überhaupt mit der Thematik beschäftigen. Insbesondere bei international vergleichenden Studien – so zeigt Christian Kleinschmidt – ist die Beschäftigung mit Accounting History aber unverzichtbar, so daß dieses Heft von AKKUMULATION auch als ein Aufruf in dieser Richtung zu verstehen ist. Die deutschsprachige Unternehmensgeschichte kann hierbei einmal mehr von den anglo-amerikanischen Vorarbeiten profitieren, wird aber eben auch empirisch begründete eigene Akzente zu setzen haben.

Die Redaktion

Recent developments in Anglo-Saxon (management) accounting history

Trevor Boyns, Cardiff Business School

The history of accounting has been the subject of study for over a hundred years but, during the last fifteen years or so of the twentieth century, its study has been taken up more systematically by scholars around the world, most notably in Britain and the USA. This development has been fuelled by the growing number of academic journals, both specifically covering this field and those concerned with wider aspects of accounting, most notably the social, cultural and political aspects. There are currently three mainstream English-language accounting history journals: the *Accounting Historians Journal* (based in the USA), *Accounting, Business & Financial History* (based in the UK) and *Accounting History* (based in Australia). Amongst those journals covering the more broader aspects of accounting, the most significant, from the point of view of publishing historical articles, is undoubtedly *Accounting, Organizations and Society*, where authors from the 'new' accounting history schools (i.e. Marxist, Foucauldian and critical perspectives) have criticised the views and methodology of authors from the 'old', traditional, economic rationalist/economic determinist

minist school. Many other mainstream English-language accounting journals regularly publish historical articles, amongst some of the most significant being *Accounting & Business Research*, *Management Accounting Research*, *Accounting, Audit and Accountability Journal* and the *European Accounting Review*. Accounting history articles have also begun to appear more regularly during the last five to ten years in mainstream economic and business history journals, especially the *Economic History Review*, *Business History* and *Business History Review*. Accounting history is thus a vibrant discipline in the Anglo-Saxon world at the beginning of the twenty-first century, and is an accepted part of the academic study of accountancy in Britain, able to attract funds and, of great importance for the careers of individual researchers, its research is accepted as legitimate by relevant bodies for purposes such as the regular research assessment exercises now carried out in British universities.

The link between accounting and business history has clearly been an important factor in the development of accounting history. The work of leading business historians over the last few decades, most notably that of Chandler, has raised important questions about the role of accounting in business at various points in time. Chandler's path-breaking work on the rise of American big business implied an important role for accounting, arguing that the growth of multi-divisional corporation would not have been possible without developments in accounting control methods, most notably 'scientific' accounting techniques such as standard costing and budgetary control, the calculation of rates of return on investment, etc. Not everybody, however, has agreed with Chandler's direction of causation, namely that the growth of big business created a demand for, and thus brought about the developments in, accounting control techniques. Johnson and Kaplan, in their important study *Relevance Lost* (1987), argued the reverse: that the development of new accounting techniques made possible the growth of big business. Others, especially Boyns and Edwards (1997a), have argued that the process may be more symbiotic, the links being two-way rather than simply one-way.

Johnson and Kaplan's work was also significant because it blamed the problems facing American business towards the end of the twentieth century on a failure of accounting techniques to develop in the manner necessary to provide the information needs of modern production technologies and global competition. In their view, management accounting systems in the mid-1980s, based as they were on practices which had been developed (at least in theoretical terms) by about 1925, had become irrelevant to the needs of late twentieth century business. Their analysis provided an impetus for the development of new methods of cost management, notable amongst which is Cooper and Kaplan's advocacy of activity based costing (ABC).

The work of Chandler, and Johnson and Kaplan therefore represents two, possibly the only two, examples in the Anglo-Saxon world where the work of business and accounting historians have had a major impact on related theory: Chandler in the development of Williamson's transaction costs economics, and Johnson and Kaplan in the development of ABC. Perhaps not surprisingly, therefore, these works have stimulated research activity by business and accounting historians into the development of management accounting, something which was often relegated to a back seat by historians of accounting from an earlier era who focused attention on financial accounting and the development of double-entry bookkeeping. Another feature of the work of earlier historians was the

use of secondary sources for their evidence - printed books and trade journals (including those produced by the accountancy profession). Even when work was carried out on the development of cost and management accounting, this too relied heavily, if not entirely, on secondary sources.

Thus, the classic work on the development of costing in the English language, and often still the first port of call for many students of the subject wishing to obtain an overview of the development of costing in the Anglo-Saxon world between c.1870 and c.1950, is the chapter by David Solomons' entitled 'The historical development of costing', which forms the opening chapter of the book edited by him entitled *Studies in Costing* (1952). This chapter, however, concentrates almost entirely on the development of costing theory, and says little about costing practice. For Solomons, there was a dearth of costing literature prior to the 1870s, especially in the Anglo-Saxon world (though he did note certain developments in other countries, most notably France). From that time, a small number of works began to emerge, the single most significant publication being Garcke and Fell's *Factory Costs* in 1887, enabling Solomons to be able to refer to the last three decades of the nineteenth century as representing a 'costing renaissance'. Articles and books written, not entirely, but increasingly in the USA, over the four decades spanning either side of the year 1900 led to significant developments in costing theory, and led to the emergence of scientific costing alongside the development of Taylorism and scientific management. It was then that the stagnation noted by Johnson and Kaplan began to set in.

One important issue that Solomons failed to address, however, was the relationship between the development of costing theory and that of costing practice within businesses. The implicit assumption seems to have been that they either went hand-in-hand, or that theory led practice. In the latter case, an interesting question is the extent of the lag and whether or not this varies as between different countries. The conventional wisdom has been that British firms lagged behind their American counterparts by up to forty years in the adoption of scientific costing techniques, and this is one factor in explaining Britain's relative economic decline during the twentieth century. However, this conventional wisdom can largely be traced back to the views of Solomons which, as already noted, in the main were based on theoretical developments rather than actual practice. The precise link between theory and practice has also been questioned by recent research into the management accounting practices of British firms during the 1980s and early 1990s. This has suggested that academic research into management accounting has had little or no influence on business practice (Scapens, 1995).

This finding raises a number of historical questions, most significantly regarding actual costing practice in earlier eras and its link, if any, with costing theory. Some of these questions have begun to be examined by a group of British accounting historians based at the Business History Research Unit of the University of Wales, Cardiff. At the beginning of the 1990s, the two main members of this group, Boyns and Edwards, embarked upon a study of the development of cost/management accounting practice by examining the archival accounting records of firms operating in the British coal and iron and steel industries during the nineteenth century. Despite the lack of any literature to guide them throughout most of the century, businessmen operating in these industries were found to have developed sophisticated systems of costing to aid them in running their businesses, in several

cases long before the 1870s. This reinforced the findings of Fleischman and various co-authors who found widespread evidence of sophisticated costing techniques being used during the industrial revolution period (c.1780-c.1850). Boyns and Edwards (1997b) also found that these systems were underpinned by evolutionary rather than revolutionary change, and there was no evidence of a 'costing renaissance' in the sense of Solomons. Indeed, the systems in some companies were more advanced than those depicted in the literature. This finding thus not only overturned the conventional wisdom relating to the 'costing renaissance' concept, but also opened up a whole set of key questions, not least how society moved from a situation where business practice was in advance of the literature during the late nineteenth century, to one at the end of the twentieth century where theory was in advance of and, at the same time, possibly irrelevant to, practice.

To understand more about the process by which this switch-over came about, and in order to understand more about the link between theory and practice, Boyns and Edwards are currently engaged on a study of the archives of British businesses operating in certain sectors of the economy during the period c.1900-c.1960. With the aid of a large grant from the Economic & Social Research Council they are studying firms not only in the coal and iron and steel industries, in order to follow up on their earlier work for the nineteenth century, but also those in various sectors of engineering. The engineering sector was chosen because of its diversity - it includes both new (motor vehicles, electrical engineering) and old (agricultural machinery, chain making) sectors - and because it is here that it is generally considered that many of the developments in cost/management accounting associated with the rise of Taylorism, particularly in the USA, occurred. Solomons (1952) pointed to these links, and Wells (1978) has developed this more fully, arguing that it was engineers in America, rather than accountants, that developed the concepts of standard costing and budgetary control. A key argument here is that accountants were too concerned with financial accounting, i.e. external reporting, rather than with internal information for management decision-making purposes. Engineers, on the other hand, were closer to the production process, and they developed techniques to help control the efficiency thereof. In their Foucauldian analysis, Hoskin and Macve (1988, 1994) have argued that a key aspect of the development of the power of accounting over the past two centuries has been the implementation of labour standards and processes to monitor each individuals' performance against the determined standard. In this way employers were able to control their labour force through the knowledge gained from the accounting system. This process, which they see as having originated at the U.S. Military Academy at West Point in the early nineteenth century, was then extended to the Springfield Armory and the American railroads in the mid to late nineteenth century and, during the early twentieth century, with the development of standard costing, throughout big business. While the developmental process outlined is reminiscent of that of Chandler, their explanation for this is somewhat different (Hoskin and Macve, 2000).

A key aspect of the studies of Solomons, Wells and Hoskin and Macve, however, has been their American-bias. When people talk of the development of accounting in the Anglo-Saxon world there is often an in-built assumption that, because the USA and Britain share a common language, they must share other things in common as well. In the context of the development of accounting, however, there is a growing body of evidence to suggest that things were done quite differently in the two countries. Since Britain developed industrially earlier than the USA, it would not be surprising

to find that British businesses utilised more advanced costing systems than American businesses in the nineteenth century. Furthermore, different economic, political, social and cultural backgrounds may have led to the development of different forms of accounting. In the financial accounting sphere, the external reporting systems required by law have not been, and are still not, identical. Hence, a priori, it would appear somewhat odd to suggest that what happened in the USA also happened in the same way and at the same time in Britain. But this has been the conventional standpoint. Thus, most writers who have examined the development of cost/management accounting in Britain during the twentieth century have stressed the slow pace, compared to the USA, of the adoption of the key techniques associated with scientific costing. Thus British firms are seen as only having woken up to the benefits of standard costing and budgetary control in the late 1950s and 1960s. In the tradition of negativism amongst historians, this lag is seen as having contributed to the poor performance of British companies and, more generally, to that of Britain's relative economic decline during the twentieth century. (It should perhaps be pointed out that similar criticisms have been levelled at French firms which have been criticised for failing to wake up to the new concepts until the 1960s and 1970s.)

Part of the current Boyns and Edwards research is aimed at determining the extent to which British firms utilised scientific costing methods prior to 1960. Early work by Boyns (1998a,b), based on a survey of some of the secondary literature, provided prima facie evidence of a more significant usage of these techniques than has previously been thought, and that it was medium-sized rather than large firms that led the way (a finding reinforced by on-going archival studies). Research by Fleischman (2000) in the USA has also cast doubt on whether scientific management was adopted as rapidly, as whole-heartedly and in as widespread a manner as the likes of Chandler and others would have us believe. Revisionism on both sides of the Atlantic therefore is suggesting that the gap between British and American cost/management accounting practice may have been narrower than the conventional wisdom often seems to imply, though the precise extent of the gap still remains to be established. Without further archival-based studies, however, our knowledge of actual practice will remain limited. Such archival-based studies should also help us to understand the contextual factors which influenced the implementation, successful or otherwise, of new accounting techniques and how these were related to internal factors, such as issues of management structure and organisation, personalities, etc., and external factors such the market environment, legal, social and political developments, etc.

Research into accounting history in Britain is therefore dynamic at the beginning of the twenty-first century and closely linked to business history. The same, however, is not true in all countries. In some countries accounting history is developing, while in others it is stagnating, or has yet not developed to any real extent. In the USA, where substantial research has been carried out in the past and where a number of academics still actively conduct accounting history research, there are, however, fears that, as the older generation of researchers get close to retirement, some consider that the future is looking less rosy. This is largely due to the dearth of new post-graduate researchers coming through in the field of accounting history, which reflects the fact that potential historians are being discouraged from researching in this area, not least because it will harm their future job prospects within the American university system. In Spain and France, however, the current dynamism

reflects the efforts of a relatively small group of researchers, and whether or not accounting history will develop greatly in the future remains to be seen.

At the present time, accounting history research tends to be focused on studies relating to single countries (though it should be pointed out that some Americans prefer researching into accounting developments during the British industrial revolution, while some British researchers prefer examining developments in American accounting history). One important area of future research must clearly be that of comparative international accounting history. Only in this way will it be possible that the factors which have influenced the development of accounting over time and space be fully understood. Some developments in this direction have already taken place through previous and on-going collaboration between British and French researchers (most, if not all, co-ordinated through the Cardiff Business History Research Unit - e.g. Boyns et al (1997a,b)). There is clearly much more, however, that can, and needs to be done, not only in relation to the development of accounting in individual countries but also in the sphere of comparative international accounting history.

References

- Boyns, T. (1998a) 'Budgets and budgetary control in British businesses to c.1945', *Accounting, Business and Financial History*, 8(3): 261-301.
- Boyns, T. (1998b) 'The development of costing in Britain, c.1900-c.1960', *Entreprises et Histoire*, 20: 33-66.
- Boyns, T. and Edwards, J.R. (1997a) 'Cost and management accounting in early Victorian Britain: a Chandleresque analysis?', *Management Accounting Research*, 8: 19-46.
- Boyns, T. and Edwards, J.R. (1997b) 'The construction of Cost Accounting systems in Britain to 1900: the case of the coal, iron and steel industries', *Business History*, 39(3): 1-29.
- Boyns, T., Edwards, J.R. and Nikitin, M. (1997) *The Birth of Industrial Accounting in France and Britain*, London and New York: Garland Publishing
- Boyns, T., Edwards, J.R. and Nikitin, M. (1997) 'The development of industrial accounting in Britain and France before 1880: a comparative study of accounting literature and practice', *European Accounting Review*, 6(3): 393-437.
- Fleischman, R.K. (2000) 'Completing the triangle: Taylorism and the paradigms', *Accounting, Audit and Accountability Journal*, forthcoming.
- Hoskin, K. and Macve, R. (1988) 'Accounting and the examination: a genealogy of disciplinary power', *Accounting, Organizations and Society*, 13: 105-36.
- Hoskin, K. and Macve, R. (1994) 'Reappraising the genesis of managerialism. A re-examination of the role of accounting at the Springfield Armory, 1815-1845', *Accounting, Audit and Accountability Journal*, 7(2): 4-29.

Hoskin, K. and Macve, R. (2000) 'Knowing more as knowing less? Alternative histories of cost and management accounting in the USA and the UK', *The Accounting Historians Journal*, forthcoming.

Scapens, R.W. (1995) *Management Accounting: A Review of Contemporary Developments*, London: Macmillan.

Wells, M.C. (1978) *Accounting for Common Costs*, Urbana: University of Illinois.

Further details of the Cardiff Business History Research Unit can be found on its web-site at <http://www.cf.ac.uk/carbs/research/bhru/>.

Vom betrieblichen Rechnungswesen zum Controlling

Christian Kleinschmidt (Bochum)

Die deutsche Wirtschafts- und Managementsprache ist wie kaum ein anderer Sprachbereich durchsetzt mit Amerikanismen. Bei jedem dieser Begriffe stellt sich die Frage, ob es sich dabei um ein aus den USA importiertes neues Phänomen handelt, ob es deutsche Vorläufer gibt bzw., wie in zahlreichen Fällen, ob sich aus einer Kombination deutscher und amerikanischer Methoden der Unternehmensführung ein drittes Neues bzw. Hybridformen entwickelt haben, die schließlich kaum mehr mit den Ur- oder Originalmustern zu vergleichen sind.

Beim Controlling stellt sich die Frage nicht zuletzt aus wirtschaftshistorischer Sicht auch deshalb, weil auf diesem bislang wenig erforschten Gebiet eine Arbeit vorliegt, die den Akzent auf die deutschen Traditionen eines an sich älteren Phänomens legt und das Vorhandensein von Controlling-Funktionen in deutschen Unternehmen bereits auf die Jahrhundertwende datiert.¹ Dagegen soll hier argumentiert werden, daß es zwar in deutschen Unternehmen seit der Jahrhundertwende, vor allem seit den 1920er Jahren eine ausgeprägte betriebliche Informationswirtschaft (Buchführung, Kostenrechnung, Statistik) unter Auswertung eines breiten Datenflusses nicht zuletzt auch zur Kontrolle des Betriebsgebarens gab, welches jedoch auf einer Funktionstrennung von Planungs-, Realisations- und Kontrollaufgaben beruhte. Dies ist angemessener als betriebliches Rechnungswesen zu bezeichnen und verdient noch nicht den Begriff des Controlling, welches in Anlehnung an amerikanische Vorbilder diese unterschiedlichen Aspekte in ein einheitliches System der Planung und Steuerung integrierte und somit eine neue Qualität der Unternehmensführung im Sinne eines „informativ-versorgenden Systems zur Unterstützung der Unternehmensleitung“ darstellte.² Die Einführung

¹ Dietmar Vahs, *Controlling-Konzeptionen in deutschen Industrieunternehmungen - eine betriebswirtschaftlich-historische Untersuchung*, Frankfurt, Bern, New York, Paris 1990.

² Klaus Serfling, *Controlling*, Berlin, Köln 1992, S. 15.