



Management control research in the banking sector

A critical review and directions for future research

Tharusha N. Gooneratne

*Department of Accounting, Faculty of Management and Finance,
University of Colombo, Colombo, Sri Lanka, and*

Zahirul Hoque

*La Trobe Business School, Department of Accounting,
La Trobe University, Bundoora, Australia*

Abstract

Purpose – This paper aim to review existing research in the management control systems field in the banking industry. It identifies gaps in the existing literature and suggests some directions for future research.

Design/methodology/approach – The review was carried out principally by consulting leading accounting journals, followed by other relevant journals covering all publications from the inception of the particular journal to 2010. The published articles are categorized by their research topics, theories, methodologies and settings.

Findings – The review reveals a dearth of detailed studies on management controls in the banking sector. As evident from the sizeable number of descriptive studies, most prior studies do not engage in an in-depth inquiry into control issues of banks, and most lack clear articulation either theoretically or methodologically. It finds that currently little is known on the concerns encountered by banks and the nature of management control practices deployed.

Research limitations/implications – This review is selective and, while illustrative of the state of management control research in the banking sector, does not attempt a comprehensive coverage of all research. However, it identifies gaps in the current literature and makes calls for further research on a number of management control issues in the banking industry. Further, in light of the review findings, the paper offers some lessons and insights for practicing managers.

Originality/value – Although some general reviews on various facets of management accounting across time have been undertaken by past researchers, industry-based reviews have not been their focus. Through a systematic review of management control research in the banking arena, this paper shows that despite both the significant position occupied by the banking industry in nations' economies and the importance of management controls for banks, there remains a need for researchers to pay adequate attention to exploring control issues in this sector.

Keywords Control, Management control systems, Banking

Paper type Literature review

1. Introduction

A number of past researchers have conducted general reviews on various facets surrounding management accounting practices. These range from management control (Berry *et al.*, 2009; Otley *et al.*, 1995), performance measurement (Ittner and Larcker, 1998), management accounting innovations (Zawawi and Hoque, 2010), new manufacturing practices and cost management (Young and Selto, 1991), to management



accounting research in particular regions, such as North America (Shields, 1997). Reviewing a particular branch of literature, such as conducting industry-based reviews, has not been their interest, and currently little is understood on how management accounting practices are implicated in various industries. However, given the operational diversity across industries and macro influences, one could presume that significant differences could exist as to how control is exercised in various industries.

While the economy of a country encompasses industries scattered across manufacturing and service sectors, past studies on management controls have been more tilted towards the manufacturing sector (Abernethy and Lillis, 1995; Hoque and James, 2000; Ittner *et al.*, 1997). The heavy focus on manufacturing is consistent with management accounting practices' historical roots to manufacturing product costing and control of factory costs (Shields, 1997). It is also comparatively simpler to implement formal control systems into a manufacturing environment due to its tangible form, which makes it easy to quantify production efficiency and defect rates, whereas the intangible nature of services poses difficulties for measurement and control. Notwithstanding, the recent past has witnessed a growing body of research premised on the service sector (Auzair and Langfield-Smith, 2005; Brignall and Ballantine, 1996; Hopper and Major, 2007; Lawrence *et al.*, 1997).

The service sector holds economic significance via its contributions to the gross domestic product (GDP) and employment. Within the service sector, the banking industry is portrayed as an important institution. As Bryan (1990, p. 113) remarked:

Banks are not creatures of nature. They exist at the pleasure of the governments and the societies they service in order to meet the needs that could not otherwise be addressed as efficiently or effectively [. . .]. The activities of banks have always had an enormous influence on their societies. In turn, the agents of society – national governments – have long had an enormous impact on banks, both as borrowers from banks and as regulators of their activities.

Despite such important societal implications, relatively fewer studies have been devoted to banking and financial institutions, making it an interesting and important ground for exploring management control systems (MCS). Management control is also pertinent for banks in light of the significant challenges that they face. As Soin (1995, p. 284) noted:

[. . .] banks are clearly facing considerable challenges and there is, and has been, a need for an “appropriate response”. This response is manifested, in part, in the management control systems that are being introduced in the banks.

Collectively, these deliberations have motivated the focus of this review towards banking as a means to understand the status quo of management control research in the area. This paper is thus different and moves beyond the general reviews conducted in the past, as it focuses on a particular branch of literature, i.e. the banking context.

The banking context is particularly significant. Banks play a pivotal role in an economy by providing financial intermediation services. However, the need for management control was less of a priority for banks up to the 1970s when banks were operating in a stable environment concentrating on a narrow range of activities, which made limited demands for information (Billings and Capie, 2004). Administrative practices such as personal inspections by supervisors rather than formal management accounting practices served the control needs at the time (Cobb *et al.*, 1995). There was no incentive to improve the quality and efficiency of operations, as prices were set to cover

operating costs and to provide a predetermined return, while cost increases were absorbed through increasing prices of services. This competitive landscape altered from the late 1980s and banks were exposed to a different environment, which reconstructed the work of banks; specialization of expertise has been reflected by changes in the location of banks, branches functioning as sales outlets, and corporate lending decisions taken at regional levels (Seal and Croft, 1997). This called for better information to accurately measure and manage banking services and to compete more effectively. Consequently, management accounting gained momentum in the banking sector (Drury, 1998; Innes and Mitchell, 1997; Seal and Croft, 1997).

The development of MCS in banks over the years has been therefore closely linked to profound changes and new possibilities manifested by a complex, interrelated series of components at the macro level and their micro responses since the late 1980s. At the macro level, the economic, political and regulatory environment of banks witnessed globalization of markets and deregulation, resulting in increased competition and eroding margins. The micro level responses therein included decentralized organizational structure, innovative banking products and practices, advances in technology and the ensuing focus on cost control (Cobb *et al.*, 1995; Helliard *et al.*, 2002; Soin, 1995). Against this backdrop, the emergence of organizational structures with semiautonomous lines of business, with different products, customers, distribution channels, and geographic mandates led to novel issues on performance measurement, risk management and resource allocation (Kimball, 1997). As more banks move towards consolidation, shared services and linked networks, a growing need for more robust control systems has been felt in the industry. Profitability, cost awareness, and shareholder value, which are bestowed within the premise of management control turned out to be the main financial ethos of banks. As Seal and Croft (1997, p. 60) put it, “the advent of a more competitive and less paternalistic business environment has generated new challenges for the banks management control systems”.

On a more contemporary front, the global economy experienced an adverse impact with the recent global financial crisis, which led to a severe down turn in world trade and output, with major advanced economics moving into recession and emerging and developing countries experiencing a slowdown in growth. As for the banking industry, stemming from the unfavorable global financial climate, the international credit lines available to banks are reducing, pushing the cost of borrowing high. The fall in global trade in the export sector and the domestic economy has led to an increase in the non-performing loans. The roots to the financial crisis that brought in such profound negative consequences are coined to poor management, poor governance structure, irresponsible lending, and poor accounting controls of banks, and it has been a common place to blame bankers for this crisis (Arnold, 2009). In that sense, the current crisis highlights the importance of effective MCS for banks, and opens up a new dimension for accounting scholarship, in the realm of management control and information systems.

MCS have been defined in the literature in different ways (Abernethy and Chua, 1996; Anthony, 1965; Berry *et al.*, 1995; Chenhall, 2003; Flamholtz, 1983; Langfield-Smith, 1997; Lowe and Chua, 1988). Initial insights on it date back to the pioneering work of Anthony (1965, p. 27), whose classic definition was, “management control is the process by which managers ensure that resources are obtained and used effectively and efficiently in the achievement of the organization’s objectives”. While distinguishing management control from strategic and operational control, Anthony suggested that

management control to be an organizational sub-system sandwiched between strategic planning and operational control. Across time, researchers have offered various insights. Viewed from a technical point of view, MCS are defined as analytical and calculative processes used to make decisions and achieve organizational objectives, focusing on accounting-based controls such as budgeting (Langfield-Smith, 1997; Otley, 1994, 1999). Seen in this light, MCS are passive tools providing information to assist managers (Chenhall, 2003). Others have emphasized the behavioral aspects of MCS (Flamholtz, 1983), stating that individuals and organizations share only partially congruent objectives, and that it is necessary to channel human efforts against a set of institutional goals, which inevitably leads to a need for control. This view is also supported by Merchant and Van der Stede (2007) who suggests that management control requires managers to take steps to ensure that employees do what is best for the organization. MCS are also defined as a package or a range of systems, as they do not work in isolation (Malmi and Brown, 2008), and strategy, strategic planning, strategic management, accountability structures, responsibility accounting, budgeting, performance measurement, and motivation and incentives have all come under the banner of MCS in the current literature (Hoque, 2006). In a contemporary sense, MCS are also viewed as socially constructed phenomena within the particular context in which they operate; being subjected to wider social, economic and political pressures (Berry *et al.*, 1985; Burchell *et al.*, 1980; Hoque and Hopper, 1994). Encapsulating these insights, for the purpose of this review MCS are seen as formal organizational systems (primarily accounting based) designed and implemented by management to ensure that organizational goals are achieved[1].

This paper proceeds as follows. Section 2 outlines the review method used. Section 3 presents the essence of the paper, the findings of the current review. Section 4 highlights the gaps in the existing literature and suggests future research avenues. Section 5 concludes.

2. The review method

The current review was carried out primarily by consulting leading accounting journals, followed by other relevant journals (listed in Appendix 1)[2], covering all publications from the inception of the particular journal until the end of 2010. The search was carried out using the terms “management control” and “banking”, and was based on articles published in online databases. Nevertheless, the search results included a sizable number of papers that bore no connection to the precise study requirements (i.e. management control issues in banks), as certain online databases identified papers when the words “management”, “control” or “banking” were found individually in the text. It was thus necessary to manually discount such papers. Articles of conceptual, commentary, review and editorial nature were excluded, and the focus was on papers that carry field study/empirical evidence and practical insights on management control issues in banks. This exercise resulted in 40 studies for review. Table I presents the frequency distribution of articles in these journals.

As can be seen from Table I, the highest number of relevant papers (eight) was found in *Long Range Planning (LRP)*[3]. This was closely followed (six) by *Management Accounting Research (MAR)*, as expected, being a key journal explicit to the management accounting arena. Only one relevant paper appeared in the *Journal of Management Accounting Research (JMAR)*, another premier journal in management accounting.

Table I.
Distribution of the
selected papers covered
by the review across
the journals

Journal	Number of papers
<i>Long Range Planning (LRP)</i>	8
<i>Management Accounting Research (MAR)</i>	6
<i>Accounting, Organizations and Society (AOS)</i>	3
<i>Accounting, Auditing & Accountability Journal (AAAJ)</i>	2
<i>Accounting, Business & Financial History (AB&FH)</i>	2
<i>British Accounting Review (BAR)</i>	2
<i>Cost Management (CM)</i>	2
<i>European Business Review (EBR)</i>	2
<i>Journal of Accounting & Organizational Change (JAOC)</i>	2
<i>Management Accounting (MA)/Financial Management (FM)</i>	2
<i>Managerial Auditing Journal (MAJ)</i>	2
<i>The Service Industries Journal (TSIJ)</i>	2
<i>Journal of Management Accounting Research (JMAR)</i>	1
<i>Qualitative Research in Accounting and Management (GRAM)</i>	1
<i>The Accounting Review (TAR)</i>	1
<i>Business Horizon (BH)</i>	1
<i>Australian Accounting Review</i>	1
Total	40

Meanwhile, generalist accounting journals such as *Accounting, Organizations and Society (AOS)* carried three articles, and *Accounting, Auditing & Accountability Journal (AAAJ)*, *Journal of Accounting & Organizational Change (JAOC)*, *British Accounting Review (BAR)* and *Accounting, Business & Financial History (AB&FH)* published two papers each. Further adding to the list, practitioner journals such as *Cost Management (CM)* and *Management Accounting (MA)*[4], along with a journal devoted to the service industry, namely *The Service Industries Journal (TSIJ)*[5], *Managerial Auditing Journal (MAJ)* and *European Business Review (EBR)* from a non-accounting domain, comprised two papers each. Alongside this, *The Accounting Review (TAR)*, *Qualitative Research in Accounting and Management (GRAM)*, *Australian Accounting Review (AAR)*, and *Business Horizon (BH)* had each published a paper connected to the topic under inquiry. However, other leading accounting journals such as *Contemporary Accounting Research (CAR)*, *European Accounting Review (EAR)*, *Journal of Accounting and Economics (JAE)*, and *Journal of Accounting Research (JAR)* did not carry any research on control practices in the banking industry. The difference in the number of articles on the review topic that appear in these various journals may be attributable to the editorial preferences and styles of individual journals.

3. Review of management control research in banking

This section reviews prior management control research in the banking sector in terms of their focus, issues explored and findings revealed, research methods deployed, theories adopted and research settings used. A snapshot view of this is provided in Appendix 2.

3.1 Topics in focus and findings revealed

To date, research on management control in the banking sector covers a broad spectrum of topics including long-range planning practices, activity-based techniques, performance measurement, management accounting change, and non-financial

performance, among others. Amid the (global) deregulation of the industry, the resultant increase in competition and new emphasis on efficiency and effectiveness have led to new management accounting techniques, such as activity-based costing (ABC) and the balanced scorecard (BSC), which have become the primary devices to manage costs and performance (Soin and Scheytt, 2009). Table II reports the 40 articles reviewed in terms of the distribution of topics.

As can be seen from Table II, the research represented by the reviewed articles maintains a heavy emphasis on strategic planning/corporate planning (seven), and ABC/activity-based management (ABM) (six). Most of these studies, however, merely offer practical insights that mainly advocate the positive features of the particular practices studied, rather than being grounded in intense theoretical debate, and lack any critical examination of planning techniques and activity-based practices. Planning related papers by Dugdale (1978), Gup and Whitehead (1989), Santalainen and Spencer (1990), and Wood Jr (1980), as well as ABC/ABM papers by Byerly *et al.* (2003), Kocakulah and Crowe (2005) and Sweeney (1997) illustrate the point.

Studies on planning-related topics, however, illustrate the early acknowledgement of strategic planning issues in the banking arena, particularly through the publications in *LRP* (Dugdale, 1978; Godse, 1986; Gup and Whitehead, 1989; Kudla, 1982; Santalainen and Spencer, 1990; Sokol, 1993; Wood Jr, 1980). While the majority of these studies focused on long-range planning practices in US banks with the aid of surveys (Gup and Whitehead, 1989; Kudla, 1982; Wood Jr, 1980), some were located in other countries. In the UK context as early as 1978, Dugdale investigated planning procedure and the link between corporate planning and the shorter term budgeting. More recently, the Finnish concept of strategic planning, termed “results management”, was the focus of the study of Santalainen and Spencer (1990) drawn on Finnish banks. The Indian experience of planning in banks was the focal point in the paper in *LRP* by Godse (1986), which capitalized on government publications.

ABC has also been widely researched. This may possibly be amid the growing concern for accurate product costing and cost control in the current competitive environment. Among the papers on ABC, the study by Soin *et al.* (2002) is premised upon ABC and

Topics	Number of papers
Strategic planning/corporate planning	7
ABC/ABM	6
Performance measurement	5
BSC	5
Management accounting change	3
Non-financial performance practices	3
Processes of control/accounting and control	3
Managing interdependencies/relational systems	2
Bank efficiency	1
Benchmarking	1
Development of management accounting	1
Management accounting information systems	1
Balanced use of MCS	1
Profitability reporting	1
Total	40

Table II.
Distribution of topics
among the reviewed
articles

organizational change, while Norris (2002) explored the introduction and usage of activity-based information in two British banks. Amidst these organizational level studies, the application of ABC more broadly to the financial services industry too became an interest of researchers. The survey by Innes and Mitchell (1997) of the extent and nature of the adoption of ABC in the financial services industry within the UK is noteworthy. During the same period, Kimball (1997) pronounced the positive features of new costing methods such as ABC, given its ability to provide better understanding of the forces driving costs and allocation of costs to their sources. This further indicated that management accountants were active in developing new management processes and performance measurement systems. Furthermore, a number of practitioner-oriented articles have focused on ABC/ABM, drawing illustrative examples from within the US context (Byerly *et al.*, 2003; Kocakulah and Crowe, 2005; Sweeney, 1997). Given the backdrop of this advocacy and interest in ABC, it is worth noting that ABC has not been sufficiently influential to replace conventional costing; most companies still adopt ABC on a pilot basis or in parallel with existing costing systems.

Also noteworthy among the studies reviewed was the research founded on performance measurement, BSC, management accounting change, non-financial performance practices, and control. Among studies focused on performance measurement, the study founded upon four Japanese banks, by Hussain and Hoque (2002) concluded that several institutional forces influenced the banks to implement a particular performance measurement system, economic constraints being the most powerful factor. Forces such as the central bank's regulatory control, accounting standards/financial legislation, management's strategic focus, bank size, competition and organizational tendency to copy best practices remained important. Further, Ittner *et al.* (2003b) used a survey to explore the performance implications of strategic performance measurement. Other studies briefly explored performance measurement practices (Hussain, 2005; Zineldin and Bredenlow, 2001) and non-financial performance measures (Hussain and Gunasekaran, 2002; Hussain *et al.*, 2002).

Some of these prior banking studies report that management tended to place comparatively greater importance on financial performance than on non-financial performance when measuring bank performance (Hussain, 2005; Hussain and Gunasekaran, 2002; Hussain and Hoque, 2002). Despite drawing attention to the move towards non-financial performance measurement, these papers made no explicit reference to the BSC. As these studies were conducted over a decade after the emergence of the BSC (Kaplan and Norton, 1992), the following questions emerge:

- Are banks less interested in non-financial measures and therefore the BSC?
- Is the BSC not powerful enough to shift management attention from their narrow financial focus?
- To what extent has the BSC been diffused in the respective countries in which these studies are located and in the banking industry therein?
- To what extent has the BSC message reached other parts of the world and the sphere of banking at large?

Notwithstanding the above, there has been some interest on the BSC by management control researchers in the banking arena. For instance, three quantitative studies devoted to the BSC have emerged (Braam and Nijssen, 2004; Davis and

Albright, 2004; Ittner *et al.*, 2003a). Davis and Albright (2004) examined the effect of BSC implementation on financial performance. They found that superior financial performance was recorded in bank branches that implemented the BSC than in those that did not. Braam and Nijssen (2004) surveyed the performance effects of using the BSC. They found that although use of the BSC did not automatically enhance corporate performance, a BSC that complemented corporate strategy had a favourable impact and therefore the manner in which it was used would be instrumental. Ittner *et al.* (2003a) examined how different types of performance measures were weighted in a subjective BSC bonus plan. Their results indicated that such a bonus plan enabled supervisors to disregard many performance measures, leading to financial performance becoming the main determinant of bonuses. In a further practitioner-oriented study, Ye and Seal (2009) explored a BSC system in a multinational bank in terms of its effectiveness as a strategic management tool, while Aranda and Arellano (2010) explored BSC's use in strategy communication.

Management accounting change has also been a theme of research for several scholars (Cobb *et al.*, 1995; Guerreiro *et al.*, 1997). The former two studies were confined to single in-depth case studies exploring management accounting change; the latter examined professional rivalry and changing management control in the context of UK clearing banks. Control has been the point of interest for some researchers. Berry *et al.* (1991) examined the processes of control within a UK-based bank branch. In a historical study of Uche (1998), accounting and control in the Nigerian context was the focus, whereas the need for new control amidst consolidation and deregulation was the interest of Middaugh II (1988). Aspects such as profitability reporting in a single setting (Helliard *et al.*, 2002), balanced use of control systems in two bank units (Mundy, 2010), use of management accounting information at industry level (Drury, 1998), and development of management accounting (Billings and Capie, 2004) too attracted the interest of scholars who premised their work on MCS.

3.2 Research methods deployed

By and large, in terms of research methods the review articles fall into four groups, namely qualitative/case study, quantitative/survey, archival, and descriptive. The case study method has been widely chosen (16), closely followed by survey/quantitative methods (13). A further three studies used historical/archival analysis, while eight studies were descriptive in nature. Table III reports the articles in terms of the frequency of the research methods used.

Ittner *et al.* (2003b) used the survey method to identify the relationship between measurement system satisfaction and economic performance. In another paper, Ittner *et al.* (2003a) used survey data to examine how financial and non-financial performance measures were weighted in subjective bonus calculations. Kudla (1982)

Research method	Number of papers
Qualitative/case study	16
Quantitative/survey	13
Descriptive	8
Archival	3
Total	40

Table III.
Distribution of research
methods among the
reviewed articles

found this method useful in analyzing long-range planning practices in large US banks. Still on planning in US banks, Gup and Whitehead (1989) identified strategic planning practices, benefits and shortcomings. New techniques such as BSC (Braam and Nijssen, 2004) and ABC (Innes and Mitchell, 1997) have also captured the interest of researchers as survey topics. While the strength of the survey method lies in its ability to offer generalizable findings, it does not permit in-depth understanding while capturing the unique context. This concern is addressed by the case study approach.

An important trend in research methods has been the wide use of the case study method since the 1990s. This shift is consistent with the overall popularity of case study research from 1990s onwards in response to calls for more case/field-based research to gain deeper insight into the phenomenon of interest (Otley and Berry, 1994; Scapens, 1990; Scapens and Roberts, 1993). Among the scholars who carried out case studies in banking, several centered on in-depth single cases (Berry *et al.*, 1991; Cobb *et al.*, 1995; Guerreiro *et al.*, 2006; Helliard *et al.*, 2002). Multiple case studies were also conducted (Hussain and Hoque, 2002; Mundy, 2010; Norris, 2002), and others, although falling within the domain of case study were not in-depth in nature and examined issues at a surface level (Hussain, 2005; Hussain and Gunasekaran, 2002; Hussain *et al.*, 2002; Zineldin and Bredenlow, 2001).

The review studies provide modest evidence for the use of historical/archival analysis. Three studies that opted for this method (Billings and Capie, 2004; Godse, 1986; Uche, 1998) focused on a broader industry level. Among them, Godse (1986) used government publications to probe into the planning experience of Indian banks, and Uche (1998) used historical analysis to investigate accounting and control in the pre-independence era in Nigeria. Subsequently, Billings and Capie (2004) made use of archival evidence in exploring the role, development and limitations of management accounting in UK clearing banks. A further eight studies, especially those published in journals oriented towards practical insights (*LRP*) and practitioner needs (*CM* and *MA*) did not exhibit a research method. Rather, these papers briefly elucidated the practice while offering some prescriptions for the reader.

3.3 Theories adopted

The theoretical lenses used in the studies under review are presented in Table IV. Of the 40 papers, seven and eight articles, respectively, are theoretically entrenched in contingency and sociological perspectives. One study exhibits multiple theories, while

Theories adopted	Number of papers
No explicit theory	21
Sociological perspectives	
Old institutional economics (OIE)	2
New institutional sociology (NIS)	3
Other	3
Contingency theory	7
Multiple theories	1
Grounded theory	1
Levers of control framework	1
Economic and psychological	1
Total	40

Table IV.
Distribution of theories
among the reviewed
articles

another used the grounded theory approach. Over half of the studies (21) do not state any explicit theory. While some of these are brief case studies (Hussain, 2005; Hussain *et al.*, 2002; McNamara and Mong, 2005; Zineldin and Bredenlow, 2001), others are in the form of surveys (Braam and Nijssen, 2004; Gup and Whitehead, 1989; Innes and Mitchell, 1997; Kudla, 1982; Wood Jr, 1980). Among these 21 studies, a further stream of papers is descriptive in nature (Byerly *et al.*, 2003; Dugdale, 1978; Kocakulah and Crowe, 2005; Middaugh II, 1988; Santalainen and Spencer, 1990; Sokol, 1993; Sweeney, 1997; Ye and Seal, 2009).

Considering the journals in which these papers have been published, it is evident that leading accounting journals such as *AAAJ*, *AOS*, *BAR*, *JAOC*, *GRAM* and *MAR* pay clear attention to theory. On the other hand, with an orientation toward practitioner needs, journals, such as *LRP*, *MA* and *CM* are not driven by or strongly related to theory.

As Table IV suggests, contingency theory has been a popular choice for management control researchers. Of significance is the work by Davis and Albright (2004), who investigated the effects of BSC implementation on financial performance. Following a similar theoretical orientation, located in the US context, Ittner *et al.* (2003b) explored performance implications of strategic performance measurement in financial services firms, and the survey study by Ittner *et al.* (2003a) drew in economic and psychological perspectives.

Another line of studies deploying data envelopment analysis as a means of assessing bank efficiency (Bdour and Al-Khoury, 2008; Deville, 2009; Halkos and Salamouris, 2004) evidence the flavor of the contingency perspective. Connected to the above, Berry *et al.* (1991) studied the processes of control of a branch of a bank-owned finance house, utilizing technical-rational/management control, cybernetic, organizational behavior and contingency theory among its quadruple analytical lenses. The choice multiple theoretical lenses by Berry *et al.* addressed limitations inherent in the individual theories. For instance, the technical-rational perspective, although providing some insights on how and why choices are made based on the principle of optimization, suffers certain flaws such as neglect of behavioral concerns and limits on grasping uncertainty. The organizational behavior perspective captures motivation and important facets of human behavior, and the contingency perspective tests how wider elements of an organization and its environment are related to the efficiency of control systems. Still within the frame of contingency theory, the longitudinal case study of Helliard *et al.* (2002) proposed a dynamic contingency model.

In light of the above, one could witness a proliferation of studies taking a contingency stance that encompasses cross-sectional analyses based on survey method striving for generalizable findings. However, certain scholars have expressed reservations about this approach on conceptual as well as methodological grounds. Conceptually, most studies are limited to a few general contingencies such as environment, structure and technology (Chenhall, 2003; Otley, 1980). As Hopper and Powell (1985, p. 441) remarked, “contingency theory represents a holistic apotheosis of the functional approach rather than a major departure”.

Some critics maintain that management control, while affected by factors in an organization’s environment, is an interactive process (Dent, 1990). However, contingency theory fails to take into account the two-way interaction between organization and environment, seeing the pressure as flowing only from the environment to the organization. Methodologically, such research has been criticized given its failure to

incorporate how the broader organizational context, encompassing social, political, economic and institutional aspects, shapes control systems in organizations (Chapman, 1997; Hopper and Powell, 1985). Given that contingency theory de-emphasizes the social and political context in which organizations operate (Burchell *et al.*, 1980; Chua, 1986; Hopper and Powell, 1985; Hopper *et al.*, 1987; Tomkins and Groves, 1983), scholars have questioned the relevance of this approach and have called for studies that provide richer accounts of control systems in practice.

Picking up on this issue, certain researchers have departed from the rather technical prescriptions and have adopted an “alternative” approach to accounting research. The sociological perspective is noteworthy here, as it acknowledges the need to study control systems in their wider organizational and socio-political setting, capturing the complex interactions between accounting systems and context. Several researchers in banking have set their sights on management accounting issues from organizational and social theory perspectives (Guerreiro *et al.*, 2006; Hussain and Gunasekaran, 2002; Hussain and Hoque, 2002; Oriot, 2005; Soin *et al.*, 2002). For instance, Hussain and Hoque (2002) investigated the design and use of non-financial performance measurement systems in Japanese banks, using new institutional sociology (NIS) as the sensitizing device. A similar theoretical orientation was followed by Hussain and Gunasekaran (2002), premised on four Finnish banks. Capitalizing on another branch of institutional theory, old institutional economics (OIE), Soin *et al.* (2002) explored ABC and the role of management accounting in organizational change by placing particular focus on intra-organizational aspects of change. The case study of Guerreiro *et al.* (2006) depicted a comparable theoretical stance to illustrate the effects of management accounting change on a Brazilian bank. The case study by Euske and Riccaboni (1999), founded upon Italian banks, which explored influences on the roles of MCS in managing interdependencies, also carried the flavor of the institutional perspective.

In a longitudinal case study of a division of a large multinational bank, Cobb *et al.* (1995) applied a modified version of Innes and Mitchell's (1990)[6] accounting change framework to probe the forces behind changes in management accounting systems. Helliard *et al.* (2002) monitored changes in profit measurement and overhead allocation, product group profitability, benchmarking, customer profitability, budgeting and performance measures over a period of time. After identifying external (changes in technology and regulation, increased competitive global markets, and greater difficulty in attracting customers) and internal (widening product range and changing management accounting culture) drivers instrumental in change, they proposed a dynamic contingency model. On a rather different note, Norris (2002) used the grounded theory approach in studying influences on the use of management accounting information and activity-based techniques. Grounded theory has the advantage of letting particular themes emerge from data, allowing the uniqueness of the setting to be explored, rather than limiting findings to a predetermined theory. However, given that data collection proceeds in the direction of matters of importance, rather than relying on an interview protocol, grounded theory entails the danger of losing focus and being unable to cope with vastly diverse data, while demanding a high level of judgment on the part of the researcher in deciding on matters of importance. The work of Oriot (2005) also supported discussion of management control studies deploying a sociological perspective. It followed a subjectivist contingency/interpretive epistemology in probing the meanings given by actors to

control practices. Further, the recent paper by Mundy (2010) employs the levers of control framework forwarded by Simons (1995) as its analytical tool.

3.4 Research settings selected

Research settings used in prior studies cover different levels of the organization as well as an array of countries. Some studies were based at the departmental/branch/regional level, others were based at the organizational level, while others used the industry as the setting. Table V illustrates these papers based on research settings.

As shown in Table V, within the articles reviewed in this study, six studies were confined to the departmental/branch/regional level. A further 19 studies were based on the organizational level; of which 12 were founded upon a single bank (Cobb *et al.*, 1995; Guerreiro *et al.*, 2006; Helliard *et al.*, 2002; Soin *et al.*, 2002), and multiple sites were the focus in the other seven studies (Hussain, 2005; Hussain and Gunasekaran, 2002; Hussain and Hoque, 2002; Norris, 2002). More evidently, these studies have been confined to a single level, such as either the branch, departmental, regional or organizational level (Berry *et al.*, 1991; Cobb *et al.*, 1995; Mundy, 2010; Oriot, 2005; Soin *et al.*, 2002). Therefore, currently little is understood about how members in diverse levels and areas of banks view control practices. Added to this list were 14 studies premised on the broader industry level (Billings and Capie, 2004; Drury, 1998; Innes and Mitchell, 1997; Seal and Croft, 1997). One study gave no clear indication in this regard.

Research settings	Number of papers	
Organizational level		19
<i>Single bank</i>	12	
USA	4	
Canada	1	
Brazil	1	
UK	2	
Other European countries	4	
<i>Multiple banks</i>	7	
Four Japanese banks	1	
Four Finnish banks	2	
Four Swedish banks and financial institutions	1	
Two UK banks	1	
Two Australian banks (also involved a telecom firm)	1	
Two US banks	1	
Industry level		14
UK banks and financial institutions	5	
US banks	4	
Indian banks	1	
Italian banks	1	
Commercial banks in Jordan	1	
Greek banking sector	1	
Nigeria	1	
Departmental/branch/regional level		6
UK	3	
Other European countries	3	
N/A		1
Total		40

Table V.
Distribution of research
settings among the
reviewed articles

Although some studies have identified their research sites as either multi-national or national banks, the studies under consideration have made no explicit separation between public and private sector organizations. This distinction is important as the contextual differences between the public and private could have far reaching consequences on the nature of control systems deployed. Table V suggests that most of the studies under review are from developed nations in the West, and that developing nations are lightly represented. Exactly half of the studies (20) are distributed between two countries, the UK (11) and the USA (nine); the rest are scattered among a number of other countries.

In sum, the foregoing review clusters management control research in banking in terms of focus on specific topics and findings reported, research methods followed, theories used and research settings explored. It portrays the issues, theories, methodologies and settings that have formed the basis for the published research in banking. Reflections on past studies, with a view to exposing possible gaps that would motivate future researchers, are traced next.

4. Gaps in existing literature and directions for future research

A snapshot view of the reflections that emerged from the above review is shown in Figure 1.

The foregoing review suggests that the current body of literature has seen the publication of several studies on management control in the banking arena (Berry *et al.*, 1991; Cobb *et al.*, 1995; Davis and Albright, 2004; Helliard *et al.*, 2002; Hussain and Hoque, 2002; Ittner *et al.*, 2003a, b; Norris, 2002; Soin *et al.*, 2002). While the issues explored, theories and methodologies deployed and settings in which the studies were located differ, the studies share the commonality of foregrounding control issues of banks. Beyond this array of studies, it is still possible to locate fertile areas for research.

In terms of topics under inquiry, it becomes apparent from the above review that certain researchers have focused on innovative practices that are deemed to help in successfully responding to competition. For example, ABC has been a popular research topic (Innes and Mitchell, 1997; Norris, 2002; Soin *et al.*, 2002). Some research studies have also been centered on the BSC (see for example the papers by Braam and Nijssen (2004), Davis and Albright (2004) and Ittner *et al.* (2003a, b), which all take a quantitative/survey approach, as well as the more recent studies by Aranda and Arellano (2010) and Ye and Seal (2009)). The dynamic tensions accompanying the use of MCS have been the focal point in a recent piece of research (Mundy, 2010). Future researchers are thus inspired to focus on the functioning of various control systems such as budgeting and BSC encompassing the design, operation, and use, which have not been captured adequately through prior studies.

Moreover, despite the usefulness of customer profitability and product profitability amid the stiff competition in the banking industry these areas have received little attention as research topics. For instance, Billings and Capie (2004) found that data on product and customer profitability was notably absent and the focus was on data linked to and derived from financial accounts, possibly be due to reasons of convenience. While such a typology may have been sufficient in the former times, in the current multi-product, intensively competitive environment it is not adequate, and there is an increasing need for research that explores the application of strategic control concepts such as customer profitability, product profitability, bench marking

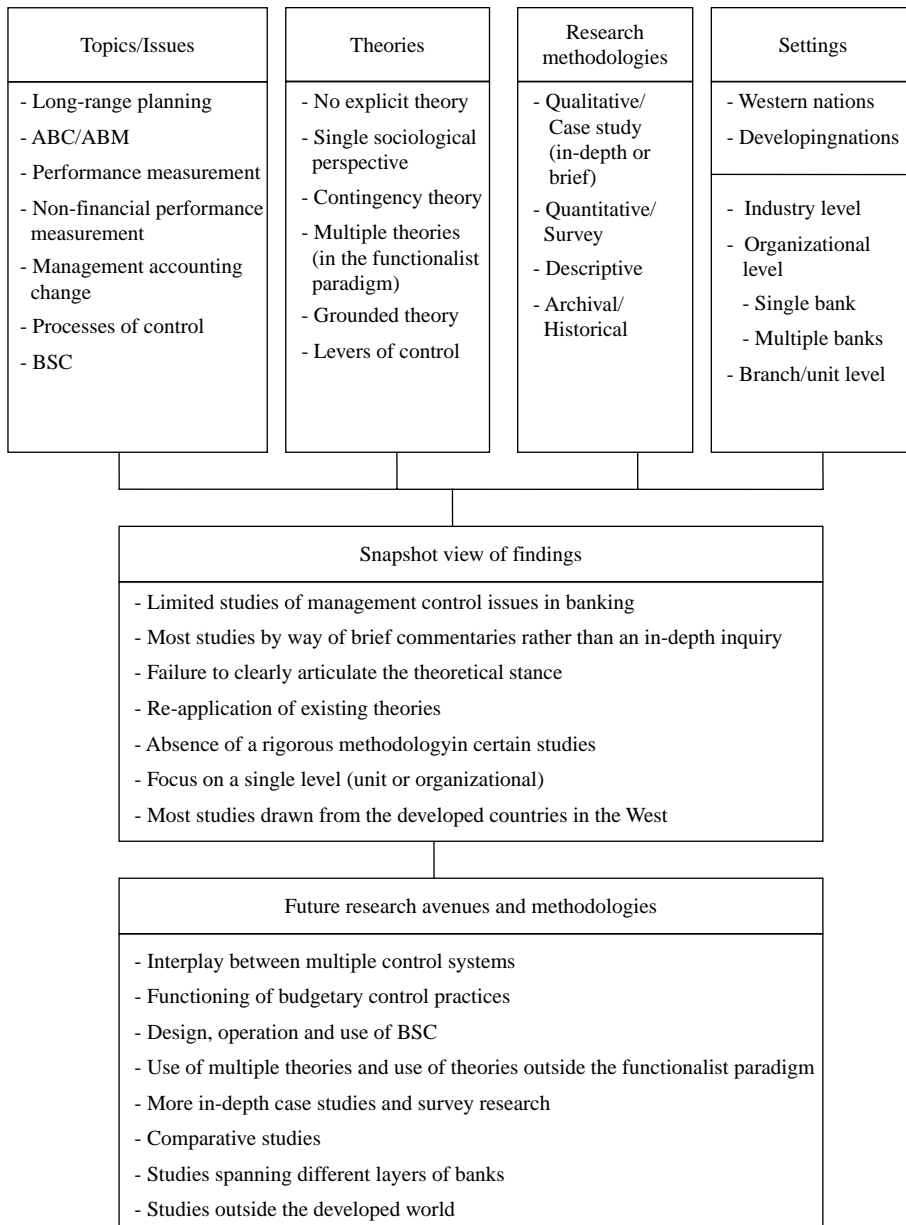


Figure 1.
Understanding management control research developments in banking

and competitor analysis to guide organizations into viable patterns of activity in a changing environment (Berry *et al.*, 1995). Further, despite the stream of studies on planning related topics that were mainly published in *LRP* in the 1980s (Godse, 1986; Gup and Whitehead, 1989; Kudla, 1982; Wood Jr, 1980), this trend has not continued

since that time. Therefore, there are limited insights on the current knowledge about these concepts. This could be a path for future researchers.

Theoretically, the recent past has witnessed a departure from orthodox mainstream positivism, allowing an alternative perspective by recognizing various forces instrumental in shaping control practices. Despite such increased receptiveness of sociological theories, this has been largely confined to different strands of institutional theory (Euske and Riccaboni, 1999; Guerreiro *et al.*, 2006; Hussain and Hoque, 2002; Hussain and Gunasekaran, 2002; Soin *et al.*, 2002). Contingency theory has been another popular option (Davis and Albright, 2004; Ittner *et al.*, 2003b). Our review also shows that so far there is little movement in the literature beyond the use of these singular theories (such as institutional theory and contingency theory) to explore the possibility of integrating theories (with the exception of Berry *et al.* (1991), who applied multiple theories, although within the functionalist paradigm). Of further concern, paradoxically, some studies in the literature are silent on their particular theoretical orientation (Hussain, 2005; Hussain *et al.*, 2002; Zineldin and Bredenlow, 2001, to mention a few). Thus, management control research in banking appears to be stagnant, with researchers either resorting to re-applying existing theories or failing to clearly articulate a particular theoretical position. Given this, future studies could engage in more theory intensive work. Such work could also probe into the likelihood of drawing on multiple theories in partnership to facilitate better understanding of organizational control practices.

Methodologically, most prior studies are descriptive in nature, take the form of brief commentaries, and tend to arrive at a rather superficial and narrow delineation of MCS in banking. Based on the findings of our review, we call for more in-depth case studies, longitudinal studies and survey research, firmly grounded in the empirical evidence garnered from real life organizations to capture the practice of management accounting in banking more comprehensively. More importantly, an opportunity to bridge the gap between idiographic case studies and nomothetic survey can be achieved by adopting a combination of the two capitalizing on their individual strengths. Such a strategy has been little used in prior studies.

Contextually, the research represented by this review displays a heavy emphasis on developed economies, primarily in the context of the UK, the USA, Italy, Finland and Sweden in the west, and Japan in the east. Limited research has been conducted on MCS in banking in developing nations. This opens the opportunity for deeply exploring management control issues in less developed nations and whether management control practices differ between the developed and the developing world. Moreover, prior studies have been set on a single level (e.g. branch, departmental or organizational), and illuminating the variations in understanding, by lending an ear to the world view of various participants in different layers and functional arenas, has not been an interest of past researchers. Much could be added by focusing on this area.

Despite the existence of several studies using multiple case studies (McNamara and Mong (2005), which encompasses two banks/a mobile telecommunication company; Hussain and Hoque's (2002) study of four Japanese banks; the studies by Berry *et al.* (1991) and Norris (2006) that are both based in the UK context), there is limited discussion on how management control issues are embedded in various institutional settings, such as the public and private sector, as well as foreign banks in different

countries. Given the contextual differences therein such a comparison is appealing, and remains a gap in our extant knowledge.

As mentioned previously, quite apart from the above, in a more contemporary sense, the aftermath of the global financial crisis begs management accounting researchers to engage in accounting in action by capitalizing on the power of information intensity. More generally to the accounting arena, the global financial crisis has brought in wide-ranging implications in terms of financial reporting, investments, securitization and off-balance sheet entities (Arnold, 2009), and has highlighted the need to reduce the gap between academic research and accounting practice. Particularly in the management accounting area, it signals a growing concern on information intensity, i.e. the importance of having a broader understanding of an organization's information environment (Hopwood, 2009). As Hopwood (2009, p. 799) notes, the "current economic crisis is putting enormous pressure on the functioning of management accounting systems in most organizations in the world". Budgets are being continuously set aside and reformulated, exerting more pressures for restatements of expectations, and radically changing cost levels. Demands are being made for the provision of better absolute and relative information in more detail and more frequently, in light of such externalities. It is nevertheless argued that management accounting research gives little or no guidance on the modes of organizational response to economic crises (Hopwood, 2009). Hence, this would form another fertile area for management control research in banking. While it has not been the focus of the current review, future researchers are also inspired to explore the interplay between a bank's risk management practices and the MCS it deploys.

The preceding account highlights gaps in existing research and suggests direction for further work. Future researchers are nevertheless cautioned over the challenges in incorporating the management control ramifications of banking operations. This is especially important in the context of today's rapidly changing and highly competitive business environment, featuring changes to product portfolios, internal business processes and management practices.

5. Concluding remarks

This paper provides a thorough review on the development and current status of management control research in the banking sector. It identifies gaps in the existing literature and suggests areas that can be picked up by future researchers for investigation. This review also has practical significance. It enlightens practicing managers on management control issues in banks. However, like any research of this kind, this paper is also not without limitations. Given our chosen definition as to what constitutes management control certain elements of the overall organizational control fabric may have been omitted.

Although at the historical level, management control has not been seen as central to managing banking operations, amid the complexities and competitiveness of today's environment we see a greater need for robust management control practices (Billings and Capie, 2004; Cobb *et al.*, 1995; Seal and Croft, 1997). Our review of the current body of literature as portrayed through this paper, however, displays a largely incoherent body of literature focusing on management control concepts and tools mostly at a surface level. Further empirical work is thus warranted, covering various aspects of management control as explained in the preceding section, before we can draw firm conclusions.

We believe that the areas of future research identified in this paper will contribute more holistically to better understanding the future potential for management control research in banking and bridge the gap between theory and practice by penetrating currently neglected areas of research, and by successfully dealing with the challenges and opportunities identified in this paper. This will be a step towards rendering management accounting research in banking more important and relevant to the interested parties in academia and to practitioners.

Notes

1. There have also been calls to incorporate risk management concepts such as strategic risks and operational risks (Mikes, 2009, 2011; Soin and Scheytt, 2009), as well as corporate governance regulation and compliance aspects (Dunne and Hellier, 2002) into the research agenda in management control. However, in this paper we have taken an accounting-led perspective to management control.
2. These journals were selected due to the wide acceptability of their prestige and high academic ranking internationally. While these form the mainstream of the review, insights from other journals were also sought when it became apparent that such work had high relevance to the topic under study. A search was also done in journals in the areas of HR, general management, finance and banking. However, it was evident that the concerns of these journals were distant to the focus of the current review. For instance, although the journals *Research and Practice in Human Resource Management Journal*, *Scandinavian Journal of Management* and *Journal of Banking & Finance* publish papers on the banking industry, their focus is on human resource, general management and finance issues, respectively, rather than on management control. No book chapters were considered as part of the review.
3. *Long Range Planning (LRP)* is a journal in the field of strategic management, which claims to feature articles offering original research that bridge the gap between academia and practice. It displays an orientation towards practical insights and experiences from case studies (www.lrp.ac).
4. Presently *Financial Management (FM)*.
5. *TSIJ* is an international journal of service management and is of a multidisciplinary nature. It strives to improve the knowledge of service industries, service businesses and effective management of services.
6. The model of Innes and Mitchell (1990) classifies factors associated with change into three categories: motivators, catalysts and facilitators. This was further developed by Cobb *et al.* (1995) to incorporate barriers to change, leaders, and momentum for change.

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About the authors

Tharusha N. Gonneratne is Senior Lecturer in Accounting at the Faculty of Management and Finance of the University of Colombo, Sri Lanka. She received her PhD degree from La Trobe University. Her research interests include management accounting and control systems.

Zahirul Hoque is Professor of Accounting and Executive Director of the La Trobe University Centre for Public Sector Governance, Accountability and Performance. He is also the Editor-in-Chief of the *Journal of Accounting & Organizational Change*. His research interests include management accounting, balanced scorecards, and public sector accounting. Zahirul Hoque is the corresponding author and can be contacted at: z.hoque@latrobe.edu.au

(The Appendices follow overleaf.)

Appendix 1. List of journals reviewed

- *ABACUS*
- *Accounting, Auditing & Accountability Journal (AAAJ)*
- *Accounting and Business Research (ABR)*
- *Accounting, Business & Financial History (AB&FH)*
- *Accounting and Finance (AFIN)*
- *Accounting Forum (AFOR)*
- *Accounting, Organizations and Society (AOS)*
- *Advances in Management Accounting (AMA)*
- *Australian Accounting Review (AAR)*
- *Behavioral Research in Accounting (BRA)*
- *British Accounting Review (BAR)*
- *Business Horizon (BH)*
- *Contemporary Accounting Research (CAR)*
- *Cost Management (CM)*
- *Critical Perspectives on Accounting (CPA)*
- *European Accounting Review (EAR)*
- *European Business Review (EBR)*
- *Financial Accountability & Management (FAM)*
- *International Journal of Bank Marketing (IJBM)*
- *Journal of Accounting and Economics (JAE)*
- *Journal of Accounting & Organizational Change (JAOC)*
- *Journal of Accounting Research (JAR)*
- *Journal of Cost Management (JCM)*
- *Journal of Management Accounting Research (JMAR)*
- *Long Range Planning (LRP)*
- *Management Accounting (MA)/Financial Management (FM)*
- *Management Accounting Research (MAR)*
- *Managerial Auditing Journal (MAJ)*
- *Managing Service Quality (MSQ)*
- *Qualitative Research in Accounting & Management (GRAM)*
- *The Accounting Review (TAR)*
- *The International Journal of Accounting (TIJA)*
- *The Services Industries Journal (TSIJ)*

Author/year	Title	Journal	Key issues	Research method	Theoretical basis	Research settings
1. Aranda and Arellano (2010)	"Consensus and link structure in strategic performance measurement systems: a field study"	<i>JMAR</i>	BSC for strategy communication	Field experiment	Contingency theory	Savings bank in Europe
2. Berry <i>et al.</i> (1991)	"Control in a financial services company (RIF): a case study"	<i>MAR</i>	Processes of control within the branch organization of a bank-owned finance house	Single case study	Management control, cybernetic, organizational behavior, contingency theory	UK-based bank branch
3. Bdour and Al-Khoury (2008)	"Predicting change in bank efficiency in Jordan: a data envelopment analysis"	<i>JAOC</i>	Efficiency patterns of Jordanian banks between 1998 and 2004	Quantitative	Contingency theory	Commercial banks in Jordan
4. Billings and Capie (2004)	"The development of management accounting in UK clearing banks, 1920-70"	<i>AB&FH</i>	Role, development and limitations of management accounting in UK clearing banks	Historical analysis (archival evidence)	None	UK clearing banks
5. Braam and Nijssen (2004)	"Performance effects of using the balanced scorecard: a note on the Dutch experience"	<i>LRP</i>	BSC, corporate strategy and company performance	Survey	None	A large financial institution in The Netherlands
6. Byerly <i>et al.</i> (2003)	"Benefits of ABC in the financial services industry"	<i>CM</i>	ABC in financial services industry	Descriptive	None	Two US cases
7. Cobb <i>et al.</i> (1995)	"Management accounting change in a bank"	<i>MAR</i>	Changes in management accounting systems	Single longitudinal case study	Innes and Mitchell Model (1990)	Division of a multinational UK bank
8. Davis and Albright (2004)	"An investigation of the effect of balanced scorecard implementation on financial performance"	<i>MAR</i>	Financial performance of bank branches implementing or not implementing BSC	Quantitative	Contingency theory	US banking organization
9. Deville (2009)	"Branch banking network assessment using DEA: a benchmarking analysis – a note"	<i>MAR</i>	Benchmarking analysis of the branches and regional banks of a large French banking group	Quantitative	Contingency theory	Branches/regional banks of a large French banking group

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Table A1. Summary of prior studies

Author/year	Title	Journal	Key issues	Research method	Theoretical basis	Research settings
10. Drury (1998)	"Management accounting information systems in UK building societies"	<i>TSJ</i>	Nature/scope of accounting information systems in financial services	Postal survey and interviews	None	UK building societies
11. Dugdale (1978)	"Corporate planning and control systems in Williams & Glyn's Bank"	<i>LRP</i>	Planning procedure, link between corporate plan and shorter term budget	Descriptive	None	UK banks
12. Euske and Riccaboni (1999)	"Stability to profitability: managing interdependencies to meet a new environment"	<i>AOS</i>	Influences on and the roles of control systems in managing interdependencies	Case study (telephone/face-to-face interviews)	Institutional perspective	Italian banks
13. Godse (1986)	"Planning for banking – the Indian experience"	<i>LRP</i>	Long-range planning implementation experiences	Government archives	None	Indian banks
14. Guerreiro <i>et al.</i> (2006)	"Evaluating management accounting change according to the institutional theory approach: a case study of a Brazilian bank"	<i>JAC</i>	Evaluation of the change process of the management accounting system	Single case study	Old institutional economics	Brazilian bank
15. Gup and Whitehead (1989)	"Strategic planning in banks – does it pay?"	<i>LRP</i>	Strategic planning at US commercial banks, benefits and shortcomings	Survey	None	US commercial banks
16. Halkos and Salamouris (2004)	"Efficiency measurement of the Greek commercial banks with the use of financial ratios: a data envelopment analysis approach"	<i>MAR</i>	Application of a non-parametric analytic technique (DEA) in measuring the performance of the Greek banking sector	Quantitative	Contingency theory	Greek banking sector
17. Helliar <i>et al.</i> (2002)	"A longitudinal case study of profitability reporting in a bank"	<i>BAR</i>	Profit measurement, overhead allocation, product/customer profitability, benchmarking, budgeting	Single longitudinal case study	Dynamic contingency model (proposed)	UK bank
18. Hussain (2005)	"Management accounting performance measurement systems in Swedish banks"	<i>EBR</i>	Performance measures in the financial services industry	Exploratory multiple case studies	None	Four bank/financial institutions in Sweden

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Author/year	Title	Journal	Key issues	Research method	Theoretical basis	Research settings
19. Hussain and Gunasekaran (2002)	"Non-financial measures in Finnish financial institutions"	<i>EBR</i>	Practice of management accounting in non-financial performance measurement	Multiple case studies	New institutional sociology	Four Finnish banks and financial intermediaries
20. Hussain <i>et al.</i> (2002)	"Implications of non-financial performance measures in Finnish banks"	<i>MAJ</i>	How management accounting systems are used to measure performance in the financial sector	Cross-case comparison	None	Four Finnish banks
21. Hussain and Hoque (2002)	"Understanding non-financial performance practices in Japanese banks: a new institutional sociology perspective"	<i>AAAJ</i>	Design and use of non-financial performance measurement systems	Qualitative case study	New institutional sociology	Four Japanese banks
22. Innes and Mitchell (1997)	"The application of activity-based costing in the United Kingdom's largest financial institutions"	<i>TSMJ</i>	ABC adoption among UK's largest financial institutions	Survey	None	UK's largest financial institutions
23. Ittner <i>et al.</i> (2003a)	"Subjectivity and the weighting of performance measures: evidence from a balanced scorecard"	<i>TAR</i>	Use of subjectivity in bonus systems containing multiple performance measures	Survey	Economic and psychological perspectives	North American retail banking operations (international financial services provider)
24. Ittner <i>et al.</i> (2003b)	"Performance implications of strategic performance measurement in financial services firms"	<i>AOS</i>	Relation between measurement system satisfaction, economic performance and two approaches to strategic performance measurement	Survey	Contingency theory	Sample of US financial services firms
25. Kocakulah and Crowe (2005)	"Utilizing ABC to measure loan portfolio profitability in a community bank"	<i>CM</i>	ABC and loan portfolio profitability	Descriptive	None	US community bank

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Author/year	Title	Journal	Key issues	Research method	Theoretical basis	Research settings
26. Kudlia (1982)	"The current practice of bank long-range planning"	<i>LRP</i>	Long-range planning practices in 105 large US banks	Survey	None	US banks
27. McNamara and Mong (2005)	"Performance measurement and management: some insights from practice"	<i>AAR</i>	Practice of performance measurement and management	Comparative cases	None	Two Australian banks, and a telecom company
28. Middaugh II (1988)	"Management control in the financial-services industry"	<i>BH</i>	Consolidation-on, deregulation and the need for new MCS	Descriptive	None	None
29. Mundy (2010)	"Creating dynamic tensions through a balanced use of management control systems"	<i>AOS</i>	Balancing controlling and enabling uses of MCS	Two case studies	Levers of control framework	European headquarters of a multinational financial services organization
30. Norris (2002)	"Chalk and cheese: grounded theory case studies of the introduction and usage of activity-based information in two British banks"	<i>BAR</i>	Influences on the use of management accounting information, activity based techniques and information	Multiple case studies	Grounded theory	Two UK banks
31. Oriot (2005)	"Relational systems between actors in the face of management control's contradictory injunctions"	<i>GRAM</i>	Meanings given by actors to practices	Eight comparative case studies	Interpretive epistemology	Regional level of a large French bank
32. Santalainen and Spencer (1990)	"Successful results management in a Finnish bank"	<i>LRP</i>	Finnish concept of strategic planning (results management)	Descriptive	None	Finnish bank
33. Seal and Croft (1997)	"Professional rivalry and changing management control approaches in UK clearing banks"	<i>AAAJ</i>	Banks' responses to changing environment (professional competition)	Qualitative analysis	Abbott (1988, 1991)	UK clearing banks

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Author/year	Title	Journal	Key issues	Research method	Theoretical basis	Research settings
34. Sojin <i>et al.</i> (2002)	"ABC and organizational change: an institutional perspective"	MAR	The role of management accounting in organizational change	Longitudinal empirical study	Old institutional economics	Clearing department of a UK-based multinational bank Canadian bank
35. Sokol (1993)	"Strategic planning for deregulation in a Canadian bank"	LRP	Strategic planning process to accommodate the deregulatory changes	Descriptive	None	US regional bank Nigeria
36. Sweeney (1997)	"ABM"	MA	ABM in banks	Descriptive	None	
37. Uche (1998)	"Accounting and control in Barclays Bank (DCO): the lending to African episode"	AB&FH	Accounting, control and operational consequences of a pre-independence experiment in the British Nigerian colony	Historical analysis	None	
38. Wood Jr (1980)	"Long range planning in large United States banks"	LRP	Long-range planning in large United States banks	Questionnaire/ interviews	None	US banks
39. Ye and Seal (2009)	"The balanced scorecard"	FM	Effectiveness of the BSC as a strategic management tool	Brief case studies	None	UK-based multinational bank Swedish bank
40. Zineldin and Bredenlow (2001)	Performance measurement and management control positioning strategies, quality and productivity: a case study of a Swedish bank	MA/J	Triangular relationship between service quality, productivity/efficiency and strategic positioning	Case study	None	

Note: See Appendix 1 for an explanation of journal title abbreviations

Table A1.