

The european accounting review

[Business](#), [Accounting](#)



This paper contains an analysis of the activity-based costing (ABC) literature which has been accumulated in the UK and USA accounting journals over the fourteen-year period since the first articles on ABC emerged. This evidence is used both longitudinally and cross-sectionally to gain insights into how ABC started, how it has been communicated, how it has been researched, how it is constituted, how it has generated attention and how it has developed and changed. From the analysis conclusions are drawn on these issues and on the role of academic research when confronted by a new practical innovation of this type.

Activity-based costing= cost management (ABC= M) has attracted high levels of interest from both academics and practitioners since its emergence in the late 1980s (e. g., Johnson, 1992; Shields, 1995; Innes and Mitchell, 1995; Innes et al., 2000; Foster and Swenson, 1997). One permanent legacy of this interest in ABC= M is the impact which it has had on the accounting journals. Although this is particularly apparent in the professionally oriented journals (Shields, 1997) the topic has also received lesser, but still prominent, attention in several of the research journals.

The accounting journals, as one important medium of communication, have provided a means for the body of knowledge on ABC= M to expand and extend its audience. ¹ In so doing they have played a significant role in creating the opportunity for it to influence management accounting education, research and practice.

The accumulated journal literature now represents a unique and substantial chronological trail of evidence on the ABC= M phenomenon. Its study is the subject of this paper. The aims are to use this literature to gain insight into <https://assignbuster.com/the-european-accounting-review/>

why and how a new management accounting technique emerges, develops and is disseminated in both academia and practice. It thus contributes to an understanding not only of the technical-level change in the discipline but also of the mechanisms of communication which influence such change.

Communication processes are an important topic for research as they underlie the development and dissemination of knowledge. Lukka and Granlund's (2002) recent analysis of the communication structures within academia has also drawn on the case of activity-based costing. They identify three different research genres (consulting, basic and critical) and consider that communication among them has been fragmented in a way which restricted knowledge development. By providing a systematic detailed analysis of the ABC= M journal literature this study provides some further illumination of the nature and content of ABC= M communication through journal publication. The analysis does not reflect the more conventional purposes of literature review where published material is used selectively to provide a foundation for assessing research quality and designing, justifying or advocating subsequent research. Rather, it focuses on the intrinsic character or anatomy of an existing literature set and is used to provide insight into ABC= M development.

While the empirical work in the paper is structured in accord with a range of factors (see succeeding section), which are assumed to characterize and so define the nature of the literature, it is primarily an inductive study based both on time-series and crosssectional analysis of the papers published during the fourteen-year period selected for analysis. The result is a descriptive analysis of the existing ABC= M journal literature which

evidences how this new approach to costing has emerged, how it has been communicated, how it has been researched, how it is constituted, how it has generated attention and how it has developed and changed over time.

The remainder of the paper is composed as follows. The selection and nature of a range of descriptive attributes representing some key dimensions of the literature is explained. The research approach is then outlined. This is followed by the empirical analysis which is structured on the basis of the key dimensions selected to characterize the literature. Finally, some concluding observations on and discussion of the findings are offered.