# MANAGEMENT CONTROL SYSTEMS, CULTURE, AND UPPER ECHELONS – A SYSTEMATIC LITERATURE REVIEW ON THEIR INTERACTIONS

Christian Vium Andersen*, Rainer Lueg*

*Department of Management, School of Business and Social Sciences, Aarhus University, Denmark

## Abstract

This systematic literature review of 99 empirical studies, between 1926 and 2016, synthesizes evidence on the interaction of management control systems (MCS) with both national culture and corporate culture. We cast our net widely by considering MCS as a package in relation to macro (national), meso (organizational) and micro culture (upper echelon theory). The literature reviewed suggests that evidence on the interaction of culture and MCS is highly fragmented, and only some authors find that culture matters for MCS. The main reason for these inconsistent findings is that studies investigating organizational MCS tend to focus only on one aspect of culture (macro, meso, or micro). This impairs a comprehensive understanding of the MCS-culture relationship. Our main insight is that culture affects MCS, provided that culture is considered as a multi-layered phenomenon that combines internal aspects of culture – e.g., upper echelon theory – with external aspects of culture, e.g., national culture. The contemporary literature mostly limits itself to discussing whether national culture matters for MCS. Hence, this focus is slightly misguided. Future studies should rather inquire which aspects of culture interacts with MCS across varying contexts.

## 1. INTRODUCTION

In order to manage an organization, managers need to influence decision making and behavior of individuals within an organization. Generally, several mechanisms steer human behavior. Two quite prominent ones are management control systems (MCS) and culture. MCS can be defined as *"systems, rules, practices, values and other activities management put in place in order to direct employees behaviour"* (Malmi and Brown, 2008, pp. 290). As such, MCS support decision making and functions as a behavior modification mechanism for individuals within an organization (Birnberg and Snodgrass, 1988). At the same time, the phenomenon of *culture* is seen as a major force that guides individuals' decision making and behavior (Birnberg and Snodgrass, 1988, pp. 448). Therefore, MCS and culture could be regarded as both complementing and competing forces that shape human decision making and behavior. The interaction between MCS and culture is of importance to practitioners when designing MCS in order to achieve the desired results. In particular, it is of importance to multinational companies when implementing their domestic MCS overseas. Managers might need to redesign them, partly to establish a better fit with the different culture (Dalby et al., 2014; Harrison and McKinnon, 1999, p. 483), since MCS *"which operate well in one national environment may work very differently in another national culture"* (Otley, 2016, p. 54). This is consistent with contingency theory, which states that *"particular features of an appropriate accounting system will depend upon the specific circumstances in which an organisation finds itself"* (Otley, 1980, pp. 413). Hence, MCS and culture might compete or enforce each other in influencing behavior.

This conundrum has sparked a significant amount of research on the effect of culture and on the cross-cultural application of MCS (e.g. Shields, 1995; Harrison, 1992; Brewer, 1998; Harrison and McKinnon, 1999). Research on culture has primarily focused on national culture (Hofstede, 1980, 1991, 2010; Gray, 1988) and to some extent organizational culture (Dent, 1991; Goddard 1997a; Goddard, 1997b). Yet, there is no consensus on whether these aspects of culture have an effect on MCS (Chow et al, 1991, 1994, 1999b). Many empirical studies remain unclear in their definitions of culture. Most of them deal with national culture, but still, findings remain fragmented as studies focus on different dimensions of national culture (Harrison and McKinnon, 1999; Chenhall, 2003). Moreover, research has focused exclusively on the national value dimensions by Hofstede while ignoring other concepts of culture. This has lead researchers to call for further research on the interaction of MCS and culture from a holistic point of view (Harrison and McKinnon, 1999, pp.

502). Birnberg (2004) specifically proposes more research in management accounting on the topic of organizational culture rather than national culture. A broader focus of culture that addresses different aspects of culture is desirable. Specifically, we would like to understand the reciprocal relationships of culture and controls. The purpose of this paper is therefore to identify, analyze and synthesize evidence to answer the research question: *"How does culture interact with management control systems?"*

For this, we conduct a *systematic* literature review on empirical studies (Denyer and Tranfield, 2011; Rousseau et al, 2008; Massaro et al, 2016) following the usual steps of application[4]. We systematically searched the 57 accounting journals rated 2-4 in the Chartered Association of Business Schools' Academic Journal Guide (ABS) 2015 from – where available – 1926 to 2016 for the keyword '*culture*' in abstract, title and keywords. Out of 2,592 initial hits using databases like ScienceDirect and Business Source Complete, we read the articles' abstracts, titles, keywords and introductions to identify the relevant set of articles (n=94). We then traced relevant literature that was cited ("*ancestor approach*"; cf. Cooper, 1982) or citing these articles ("*cited by*" on GoogleScholar). We ended up with n=99 relevant sources.

Most of the literature reviewed focuses on aspects of national culture, but this paper discusses how other aspects of culture may explain some of the contradicting findings through a definition of culture that is much wider than what we encounter in the literature. As such, we have developed a definition of culture, and the findings of the review are led by a discussion on whether it is culture that influences MCS or MCS that influence culture. We use the framework on MCS by Malmi and Brown (2008) to structure this discussion, where especially the cultural controls of the framework are of significance[5].

## 2. THEORETICAL BACKGROUND ON THE RELATIONSHIP OF MCS AND CULTURE

The discussion of why culture is of relevance to MCS relates to contingency theory, which views the organization as an open system for which no general optimal structure exists (Burkert et al, 2014), since people have different patterns of behavior (Hopper and Powell, 1985). As culture can "*provide a synergistic element to the control system and facilitate its operation*" (Birnberg and Snodgrass, 1988, p. 447), the interaction of culture and MCS becomes very relevant. Culture is "*the way in which a group of people solves problems and reconciles dilemmas*" (Trompenaars and Hampden-Turner, 1997, p. 6). In relation to contingency theory, we can make a distinction between seeing culture as an internal, manageable variable or as a given, external variable, such as national culture (Goddard, 1997a, 1997b; Otley, 2016).

## 2.1. National culture

Hofstede's work on national culture consists of six cultural value dimensions which describe the culture of a nation and how this affects the values of the members of the given nation (Hofstede, 1980, 1991; Hofstede et al, 2010). However, there has been *"An almost total adoption of the…work of Geert Hofstede"* (Harrison and McKinnon, 1999, pp. 484) by management accounting researchers. The six dimensions identified by Hofstede are the following: *Power distance* addresses whether members of society accept an unequally distribution of power. *Individualism vs. collectivism* depicts whether society members are mostly concerned with themselves or with the group. *Uncertainty avoidance* relates to whether society members feel comfortable in unstructured situations. *Masculinity vs. femininity*, where masculinity indicates focus on high-achievements and work prevailing over family. Femininity relates to a balance between family and work. *Long-term orientation vs. short-term orientation* addresses whether members are rather concerned with the past and the present, or the future. *Indulgence vs. restraint* is a measure of happiness related to whether social norms and control or human desires define society.

Hofstede has been widely criticized, with main critique points being that he equates nations with culture (Baskerville, 2003; Greer and Patel, 2000), and that the cultural dimensions do not distinguish between different levels of a given dimension (Harrison and McKinnon, 1999, pp. 496). For instance, the dimension of collectivism for the Japanese relates to the organization, while the Chinese relate to the family. This influences the types of MCS used. Whereas the Japanese have fewer controls than Americans do, these controls are as explicit to workers as the more bureaucratic controls present in the US (Birnberg and Snodgrass, 1988). Finally, replication of Hofstede's original study has yielded inconclusive findings (e.g. Smith et al, 1996; Baskerville, 2003), and studies that have measured the cultural dimensions of their samples have found that the scores obtained do not match the ones found by Hofstede (e.g. Lau et al, 1997; Lau and Eggleton, 2004; Stammerjohan et al, 2015). Questionnaire surveys of IBM employees in several different countries (117.000 questionnaires for 66 countries) identified the original cultural dimensions. Issues with this approach are that all respondents were from one single company and had the same occupational basis. Hofstede assumes that by keeping these two components constant, the differences found are the result of national culture (McSweeney, 2002).

Though the cultural dimensions developed by Hofstede are widely used, the assumption that there are no differences for organizational and occupational culture might be flawed. As such, a definition of culture for use in this paper needs to encompass not only *national* culture but also *organizational* and – what Hofstede labeled – *occupational* culture.

---

[4] For instance, cf. Albertsen and Lueg, 2014; Lueg and Julner 2014; Lueg and Silva, 2014; Lueg and Vu, 2015; Toft and Lueg, 2015; Lueg and Radlach 2016.
[5] More detailed as well as descriptive analyses are available from the authors upon request.

## 2.2. Occupational culture and upper echelon theory

In relation to occupational culture, upper echelon theory is of relevance. Upper echelon theory proposes that experiences, values and personalities of firm executives greatly influence their interpretations of the situations they face and, in turn, affect their choices (Hambrick, 2007), for instance their perceptions of risk (Borisov and Lueg 2012; Janiak and Lueg, 2016; Lueg and Borisov 2014). *"Management accounting and control systems can be seen as an organisational outcome...and ... can thus be expected to also be influenced by top-manager characteristics"* (Hiebl, 2014, pp. 224). The organization is thus a reflection of its top managers (Hambrick and Mason, 1984), or put differently, the top executives partly shape the culture present in the organization (Berson et al, 2008).

Burkert and Lueg (2013) show how the educational background of the top management team (TMT) in business administration, especially of CFO's, is found to be associated with more sophisticated value-based management. Hiebl (2014), similarly, finds the educational background of the CFO to be of importance, but that for CEOs, the results are fragmented. Similarly, Fiss and Zajac (2004) find evidence that the shift from one governance model to another may ultimately depend on the interests and power of actors that make decisions in the organization. The importance of the TMT and its effect on culture should thus be considered.

One important aspect of upper echelon theory is that it depends upon the extend of managerial discretion, so that if a great deal of managerial discretion exists then upper echelon theory is a good predictor of organizational outcomes (Crossland and Hambrick, 2011). This is relevant for the cultural dimension of individualism/collectivism, as well as for the cultural dimension of uncertainty avoidance, where upper echelon theory may have a significant influence on the culture of an organization in countries scoring highly on individualism and where there is low uncertainty avoidance. We may assume that Managers in these countries have more discretion in their choices and, as such, they may influence the organizational culture of the organization more easily.

A study by Crossland and Hambrick (2007) that finds that CEOs in US firms have a greater effect on firm performance than CEOs in Japan and Germany due to national culture illustrates this. Japan and Germany score high on collectivism, so executives in those countries are limited in their ability to take decisions that may affect the collective. Japan and Germany also score highly on uncertainty avoidance compared to the US, where a high score of uncertainty avoidance often connects with resistance to change (Crossland and Hambrick, 2007). We find additional support for the dimensions of collectivism/individualism and uncertainty avoidance being influential on the level of managerial discretion in Crossland and Hambrick (2011), but we find no support for the dimension of power distance.

Thus, upper echelon theory, which may be linked to what Hofstede named occupational culture, and the cultural dimensions of Hofstede may be somewhat related and should be considered in unison rather than separately as Hofstede did. Hiebl (2014, pp. 224) proposes that including the individual influence of top managers on the design of management accounting and control systems would help to create a more comprehensive picture of the antecedents of such systems than studying environmental and firm-level factors alone would. This reflects the choice of this paper where we look at both environmental factors, in the form of national culture, and the role of the TMT.

## 2.3. Organizational culture

Organizational culture can be defined as *"the aggregation of the norms and values of the organization"* (Birnberg, 2004, pp. 11), implying that organizations have separate cultures from the national culture surrounding it. Goddard (1997a) divides organizational culture into internal and external variables of influence. The external variable relates to national culture, while the internal variable consists of corporate culture and organizational climate. The corporate culture variable relates to how leaders influence the development of organizational culture, while the organizational climate variable looks at managers' personal attributes. This is relevant for upper echelon theory which, in turn, influences the culture of an organization. Trompenaars and Hampden-Turner (1997), who link dimensions of national culture to preferences for specific forms of corporate culture, have also made the link between the external variable of national culture and organizational culture.

## 2.4. Defining culture for the purpose of this literature review

Culture thus consists of national culture, organizational culture and upper echelon theory as they all interact, and any definition of culture must encompass all aspects. The definition of culture used in this paper is the one by Riahi-Belkaoui (2004, pp. 381); *"Culture, through its components, elements, and dimensions, dictates the organisational structure adopted, the micro-organisational behaviour, and the cognitive functioning of individuals in such a way as to ultimately affect their judgement/decision process when they are faced with an accounting...phenomenon."* This definition changes the discussion of culture to be concerned with which aspects of culture will shape the behavior of people in the organization, organizational culture or national culture.

## 3. FINDINGS

### 3.1. Internal control and culture

The distinction between internal and external aspects of culture relates to three propositions by Berry et al. (2009, pp. 12) about culture and control. First, control can dominate culture, where managers can choose organizational culture. Second, culture can be equal to control, as it determines the norms

and cognitions that shape the organization; control also reconstitutes culture. Third, culture can dominate control, where norms, cognitions and modes of order shape control structures and procedures. These propositions relate to the interactions of MCS and culture. In relation to the discussion on culture, there is a connection between control dominating culture, and internal variables of culture such as cultural controls and upper echelon theory. Similarly, there is a relation between culture dominating control and the external variables of national culture. We discuss these cases in separate subsections.

### 3.1.1. When control dominates culture (in the form of cultural controls)

The dominance of MCS over culture entails that the internal aspects of culture, i.e. organizational culture and cultural controls, overrule external influences of culture such as national culture. As such, the MCS of multi-national firms would not attune to national culture. Van der Stede (2003, pp. 263) finds that management control and incentive systems *"...tend to be uniformly implemented within firms, rather than to reflect local business-unit conditions"*, in support of control dominating culture. Similarly, Al Chen et al. (1997) find that Japanese subsidiaries in the US are mostly similar to domestic Japanese firms in their use of management accounting methods, reflecting Japanese values, which do not reflect US national values. Yee et al. (2008) also find a Japanese subsidiary located in Singapore to be using Japanese common budgeting practices. Similarly, O'Connor (1995) and O'Connor and Ekanayake (1998) find that foreign-owned subsidiaries in Singapore have a lower power distance organizational culture than their local counterparts, reflecting influences of their foreign parent-companies. These studies show how controls in subsidiaries, in other words, internal organizational culture, can overrule local national culture.

Soeters and Schreuder (1988) look at the interaction between national and organizational culture at the firm level in six accounting firms in the Netherlands. They find significant traces of US national culture in the organizational culture of the US firms' branches in the Netherlands, with especially differences in levels of uncertainty avoidance and masculinity. The study highlights how the internal culture of the branches takes precedence over aspects of national Dutch culture. Another noteworthy finding is the ascription of part of the difference to the mechanism of self-selection by the employees, where the work values of the employees are oriented towards US culture and the value dimensions of the US. This shows how individuals, within the Dutch culture, differ in their value dimensions, lending support to some of the criticism directed at Hofstede. Pratt et al. (1993) extended the study to an Australian and British setting, with similar results for the British setting and inconclusive results for Australia. Chow et al. (2002) extend the two previous studies by extending it to a Taiwanese setting as they argue that the national culture of Taiwan is very different from the

Netherlands, Britain and Australia, yet the results are similar.

### 3.1.2. When culture is equivalent to control

Unison between MCS and control would imply that neither national culture nor organizational culture would shape the culture of the organization, but rather the MCS themselves would be driving the culture. Dent (1991, pp. 728) finds that *"...accounting can enter into organisational settings to constitute cultural knowledge in particular ways, creating particular rationalities for organisational action; and in turn how this can lead to new patterns of organization, of authority and influence, new concepts of time and legitimate action"*. Similarly, Busco and Scapens (2011) find that the introduction of Six-sigma changed the culture present in the organization significantly, illustrating how new accounting cultures become control.

### 3.1.3. When culture dominates control

Culture may also dominate MCS. Tsamenyi et al. (2008) find that national culture and social relations overrule MCS and make them less relevant in an Indonesian setting. Similarly, Wickramasinghe and Hopper (2005) find that attempts to impose conventional management accounting on an organization in Sri Lanka failed due to confrontations with the traditional local culture. This is similar to the study by Wickramasinghe et al. (2004) that shows how Japanese cost management was implemented in an organization in Sri Lanka but had to be discarded due to political pressure by employees that were dissatisfied due to a cultural misalignment. Efferin and Hopper (2007), similarly, look at how culture, ethnic differences, history, politics and commercial considerations shape management controls at a Chinese-Indonesian manufacturing company. Chow et al. (1999b) look at the effect of national culture on firms' design of and employees' preference for management controls in a Taiwanese setting. They find that Taiwanese culture had a stronger influence on the MCS than the original MCS of the US and the Japanese subsidiaries.

Yoshikawa (1994), similarly, claims that Japanese national culture has influenced the application of cost accounting and cost management in Japan. Granlund and Lukka (1998) propose that management accounting in Finland ties to national culture. Similarly, Efferin and Hartano (2015) and Senftlechner and Hiebl (2015) find that the MCS in place, in an Indonesian organization, is negotiated and produced based on common cultural grounds of the owner and key employees, and that it is a reflection of the national culture. These later two studies are especially interesting as they not only show how national culture dominates MCS, but also show the importance of the TMT in driving the organizational culture, i.e. the importance of upper echelon theory.

Related to the three different propositions by Berry et al. (2009), we show that culture does influence MCS, but in one of three ways where each can take precedence. Control in the form of MCS

dominating culture is thus, through what Malmi and Brown (2008) label cultural controls, where individuals' values align with those of the organizational culture and, as such, represent internal culture influencing MCS. Control can also constitute culture, when the MCS shape the culture within the organization. Finally, culture dominating control is when national culture overrules or influences MCS in place in the organization and, as such, represents external culture influencing MCS. This may relate to why the findings on the influence of culture are so fragmented, as most studies only examine the influence of national culture and neglect to look at other aspects such as the cultural controls within the organizations studied.

This raises the issue of which aspects of culture matter for specific aspects of the MCS. Sulaiman et al. (2004) examine the use of contemporary management accounting practices in Singapore, Malaysia, India and China and find that the use of such tools is lacking in all four countries. All the countries examined primarily use traditional management accounting practices rather than contemporary ones such as ABC, target costing and the BSC, and Sulaiman et al. (2004) posits culture as one of the factors influencing this decision.

### 3.1.4. Budgeting as a prominent topic

One of the most prominent cybernetic controls is budgeting (Lueg and Lu, 2012, 2013; Malmi and Brown, 2008). Shields and Young (1993, p. 277) claim that participative budgeting may be *"an antecedent to reinforce a particular culture"*. Superiors and subordinates can communicate beliefs, values and goals through participative budgeting, and as such, it can be an effective way of transmitting and reinforcing a particular culture. This suggests that the influence of culture on participative budgeting may go both ways, so that participative budgeting may reinforce the cultural controls in place in the organization, but also that the national culture of individuals may affect the use of participative budgeting.

Participative budgeting is often used in performance evaluation (Brownell, 1982; Brownell and Hirst, 1986; Brownell and Dunk, 1991), where a three-way interaction between participation, emphasis and task uncertainty has been found to affect job related tension. The influence of national culture on these findings and whether the results can be transferred cross-culturally have been examined extensively (Frucot and Shearon, 1991; Harrison, 1992, 1993). The claim by Harrison (1992), that countries with high power distance and low individualism—as well as countries with low power distance and high individualism—will generate the same results for participation, as proposed by Brownell and Hirst (1986), is significant. More specifically, participation has the same effect on a low power distance/high individualism culture (Australia) as on a high power distance/low individualism culture (Singapore). The findings of Harrison are important as 47 of the 50 countries examined by Hofstede exhibit these combinations (Harrison, 1992, pp. 13), and because it shows the effect of national culture. Lau et al. (1995) support

the findings in different industries. Lau et al. (1997), however, caution the use of the framework by Harrison (1992), as they find that managers perform better under high budget emphasis, regardless of the effect of individualism. Similarly, Lau and Buckland (2000) find the three-way interaction to hold in a Norwegian setting for levels of high participation. However, for low participation their results are inconclusive due to low participation not being very common in a Norwegian culture. France does not fit into the cultural dimensions framework by Harrison (1992), as there is high power distance and high individualism. Lau and Caby (2010) examine participative budgeting in France and find support for the three way interaction between budget participation, budget emphasis and task difficulty. However, they do find that the amount of participation is much lower than other studies, which they claim is due to a general low participation in French culture. Similar to Lau et al. (1997), they caution on relying too much on the framework by Harrison (1992), as they find the interaction effect despite the different cultural dimensions. Iriyadi and Gurd (1998) replicate the studies by Harrison (1992, 1993) in an Indonesian setting but do not find participation to influence the budgeting process, a result that differs from the findings of Harrison. Similarly, Otley and Pollanen (2000) replicate the studies of Brownell (1982), Brownell and Hirst, (1986), Dunk (1989), Brownell and Dunk (1991) as well as Harrison (1992) and find mixed results in all cases, though they do find that there is a three-way interaction.

O'Conner (1995) only looks at the dimension of power distance and finds that it moderates the usefulness of participation in budget setting and performance evaluation. Similarly, Stammerjohan et al. (2015) find that there is a correlation between participation and performance for both high and low-power distance samples, showing the effect of power distance on the three-way interaction.

Tsui (2001) takes a different approach and looks at the interaction effect of MCS and budget participation on managerial performance in an Asian versus a Western setting. Rather than choosing two different countries, she chooses Caucasian managers and Chinese managers in Hong Kong and focus on power distance, collectivism and long-term orientation. Chinese managers, exhibiting high levels of participation, experience negative performance as the Chinese feel that allowing subordinates to participate in budgeting would run counter to expectations of Chinese autocratic leadership styles. For the Caucasian managers, she finds that participation has a positive effect on performance.

Power distance has also been found to influence the level of budgetary slack (Lau and Eggleton, 2004). Low power distance is associated with high budget emphasis, combined with high information asymmetry. This leads to low propensity to create slack. However, if information asymmetry is low, propensity to create slack is high. Low budget emphasis and high information asymmetry are, similarly, likely to result in high slack. For high power distance, the result is similar for high budget emphasis. Yet, for low budget emphasis, the result differs with high information

asymmetry. This leads to lower propensity to create slack.

The literature review by Dunk and Nouri (1998) looks at antecedents to budgetary slack, where three variables are relevant in relation to culture. If employees are risk-averse, they are more likely to create budgetary slack, which relates to the cultural dimension of uncertainty avoidance. Similarly, a highly ethical organizational culture is, similarly, likely to result in less slack, which may links to national culture. Curtis et al. (2012) show that power distance, country of origin, and gender influence ethical decision making. Finally, individuals with power within the organization are more likely to create budgetary slack. This relates to power distance. However, it is also relevant for upper echelon theory, as it shows how the TMT is able to shape aspects of MCS.

Yet, there are also studies on budgeting that claim that national culture has little or no influence on budgeting, with Goddard (1997b) finding that organizational culture has a bigger influence than national culture. Similarly, Goddard (1997a) claims that financial control systems have to be compatible with the organizational culture of the organization in order to be effective, highlighting the importance of cultural controls. O'Connor and Ekanayake (1998) highlight three reasons for differing results regarding cross-cultural studies on budgeting; the influence of multiple cultural dimensions, the level of analysis, and comparisons of means used to test hypotheses.

### 3.1.5. Activity management as a prominent topic

Activity management is the effective and consistent organization of a strategic business unit's activities in order to use its resources in the best possible way to achieve its objectives (Gosselin, 1997, pp. 106). It is synonymous with a cybernetic control.

Gosselin classifies activity management (AM) into three basic categories; activity analysis, activity cost analysis and activity-based costing (ABC). He finds that organizational structure plays an important role in the selection of the level of AM, where centralized top-down organizations prefer to adopt ABC, while organizations with a lower focus on a top-down approach prefer the other levels of AM. Similarly, behavioral and organizational factors often have a significant effect on the success of ABC implementation (Shields, 1995). Malmi (1997, p. 475) finds that *"...organisational culture...[is] worthy of consideration in explaining resistance to ABC, and ABC failure"*, which shows the importance of culture for AM.

Brewer (1998), who formulates six predictions that look at how international cultural diversity may affect ABC implementation, has examined ABC from a national cultural perspective by. He bases the predictions on the cultural dimension of Hofstede, and as such, they are highly relevant for the influence of national culture. Brewer tests prediction 1 and 3. Prediction 1 states that a high power distance culture will lead to less defensive behavior when implementing ABC, making implementation more successful. This supports his findings that ABC is more successful in the Malaysian plant, which

he attributes to the top down approach taken, and the high level of power distance in Malaysia. Prediction 3 states that the cross-function team-based approach to work, inherent in ABC systems, will result in a more defensive behavior in individualist cultures, thereby reducing ABC success relative to collectivist cultures. His finding, that there is little resistance in Malaysia compared to the US, supports this. The study by Brewer is important as it links national culture with ABC and shows how culture can influence the use of ABC. By including behavioral attributes as intervening variables, Morakul and Wu (2001) extend Brewer's predictions. Their finding, that cultures with a high power distance will exhibit resistance to ABC due to a shift in empowerment and redistribution of power, is significant.

Baird et al. (2004, 2007) find that top management support and the link to quality initiatives are the two organizational factors that are associated with success, while the cultural factor of outcome orientation is associated with success for each level of AM. The findings on top management support also mirror the findings of Shields (1995) who claims that it is an important variable for successfully implementing ABC. In relation to upper echelon theory, it stresses the importance of top management support, echoing the findings of Fiss and Zajac (2004) and Burkert and Lueg, (2013), as they show that the TMT has the power to decide on the adoption as well as the customizing of management practices to personal characteristics and perceptions.

Zhang et al. (2015) look at organizational culture, structure, and its effect on the success of implementing ABC. They find that a formalized organizational structure and outcome orientation affect the success of ABC implementation, but that centralization does not matter. Liu and Pan (2007), similarly, find that top management support, as well as a top-down approach, are essential to the successful implementation of ABC in China. They resonate prediction 1 of Brewer, as China has a high power distance score and, as such, ABC should be easier to implement with a top-down approach.

### 3.2. Hybrid measurement systems: long range versus action planning

One of the most popular hybrid measurement systems is the Balanced Scorecard (BSC) (Jakobsen and Lueg, 2012, 2014; Lueg, 2015; Lueg and Nørreklit 2012). Carmona et al. (2011) find that subjects from an individualistic culture respond differently to the BSC than subjects from a collectivistic culture, with individualistic cultures putting more emphasis on the financial aspect of the BSC, and the collectivist cultures putting more emphasis on the long-term perspective. Similarly, Modell (2012) claims that the BSC represents an individualistic ideology, reflecting the managerial styles of the US. For planning, Chan (1998) finds that the dimension of long vs short-term orientation influences the negotiation outcomes of transfer prices and thus planning controls.

### 3.3. Reward and compensation

Several researchers have examined the influence of national culture on reward and compensation for both executives and employees. Chow et al. (2001) find that the dimensions of collectivism/individualism and power distance influence the acceptance of high stretch performance standards, with the Chinese more readily accepting imposed high stretch performance standards than US-nationals, and more readily accepting autocratic management. Based on a US and Taiwanese sample, Awasthi et al. (2001) find that the cultural dimensions of individualism/collectivism and power distance can modify employees' decisions and satisfaction with imposed performance evaluation and rewards aimed at modifying work-related behavior. They also find that US nationals have significantly lower satisfaction under imposed performance evaluation and reward structures, showing the influence of power distance but also individualism/collectivism on the reward and compensation aspect of MCS.

The study by Awasthi et al. (1998) shows the effect of national culture on performance measures. They find that the US subjects select more team-based performance measures when they perceive a higher level of task interdependence. This is because they are aware of their own and their teammates' individualistic tendencies and seek to compensate for them by restricting individualistic behavior. This finding is very important as it goes against the expectations based on the cultural dimension of individualism. It suggests that national culture matters, but can be negated through awareness. This study is very significant in relation to the discussion, undertaken in this paper, regarding how control can dominate culture in the form of cultural controls, as that is, essentially, what the participants chose in order to negate national culture. The study is further of importance to upper echelon theory, as the sample in this study consists of MBA students: Burkert and Lueg (2013) have previously shown that individuals with a business oriented educational background have a positive impact on the level of TMT value-based management sophistication.

Chow et al (1998) find that the dimensions of collectivism and uncertainty avoidance influence the upward communication of private information under different pay schemes. In the absence of face-to-face interaction, individuals from collectivist/high uncertainty avoidance cultures will make smaller misrepresentations than will individuals from high individualism/low uncertainty cultures.

Harrison et al. (1999) look at a cross-cultural investigation of managers' project evaluation decisions in a US and Taiwanese setting. They find that when the participants have private information and the potential for personal gain, both US and Chinese subjects are inclined to continue with an unprofitable project, though the Chinese are less inclined. These findings reflect the cultural dimensions of individualism/collectivism and the long/short term orientation accounting for the differences. Similarly, Salter and Sharp (2001) find that a small difference in individualism matters, as the Americans in their study were more likely to escalate commitment than the Canadians were. This

is because the rewards for managers for continuing the project were substantially larger than if it was discontinued.

### 3.4. Administrative controls

Administrative controls are synonymous with policies and procedures. National culture has an influence on administrative controls. Harrison et al. (1994) examine the influence of national culture on organizational design and planning controls. For the US and Australia, organizational design has a greater emphasis on decentralization, responsibility centers, and quantitative and analytical techniques in planning and control. This reflects individualism, low power distance and a short-term orientation. For Singapore and Hong Kong, there is a greater emphasis on long-term planning and on group-centered decision making. This reflects collectivism, high-power distance and a long-term orientation. These conditions imply greater managerial discretion for the US and Australia, and as such, upper echelon theory would have greater impact on the culture within these organizations.

## 4. CONCLUDING DISCUSSION

Figure 1 categorizes our main findings on the most relevant of the 99 identified studies. This categorization corresponds to the two perspectives of national culture (incl. upper echelons) and selected MCS.
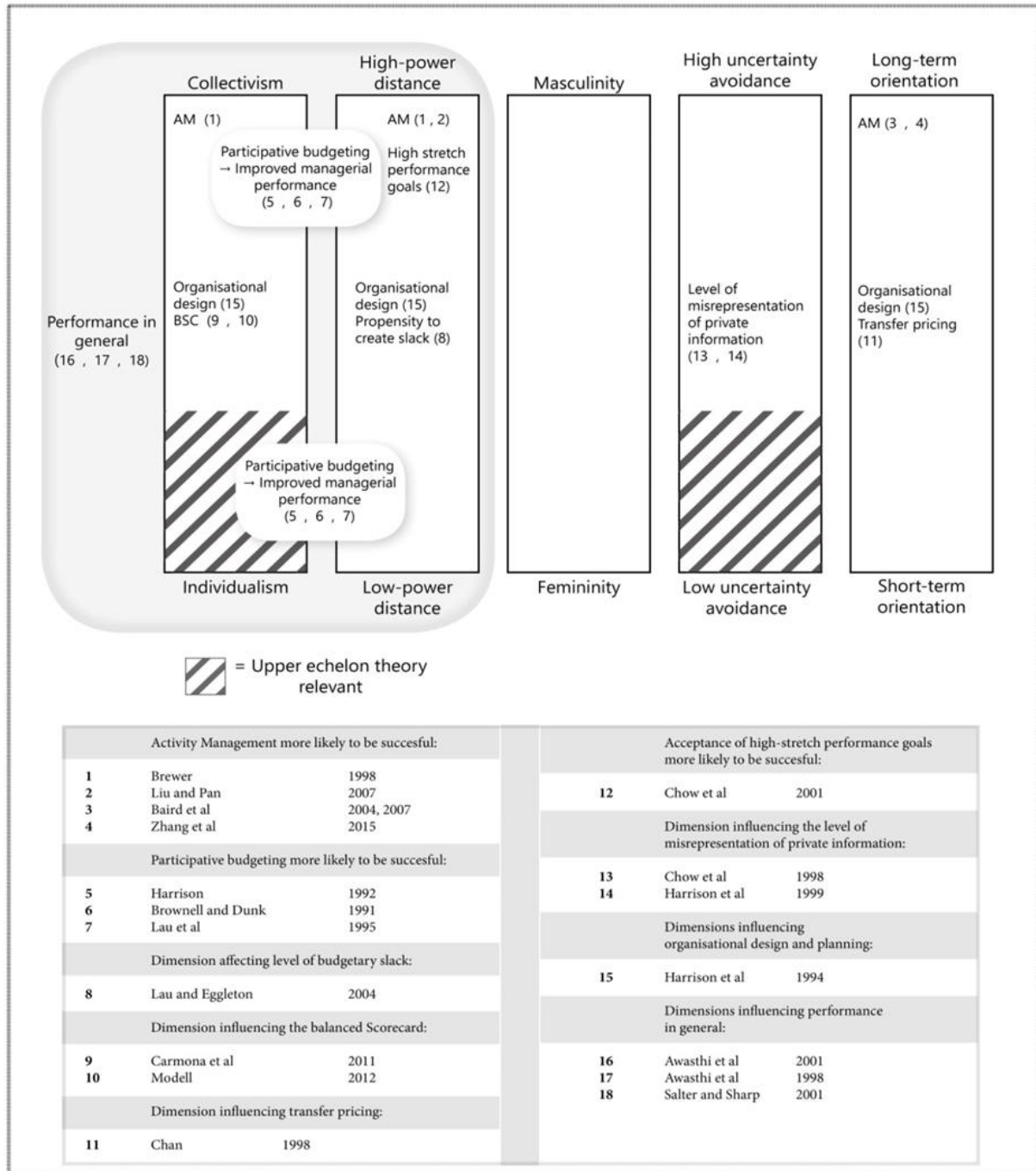
### 4.1. Contributions to theory

This paper addresses culture from a broad perspective by combining internal aspects (organizational culture and upper echelon theory) with the external aspect (national culture), responding to the restricted definition of culture in many empirical studies that primarily deal with *national* culture. At the existing state of knowledge on MCS and culture, *"…it proves almost impossible to generalize about even the major effect of (national) culture on MCS design and use"*, and it *"is likely that organisational culture will also have a significant influence on attitudes and behaviour within an organisation"* (Otley, 2016, p. 51).

Our review of the empirical literature merely suggests that culture dominates MCS, but not in the exact same way that Berry et al. (2009) conjecture. Rather, there is a tendency of culture dominating control in situations where national culture influences the MCS. Similarly, controls dominate culture in situations where organizational aspects of culture influences the MCS-such as the cultural controls proposed by Malmi and Brown (2008) and upper echelon theory. As such, this review demonstrates that taking a more holistic approach to culture will be beneficial, as the dimensions of national culture interact with upper echelon theory as well as organizational culture. As such, it corresponds to what Harrison and McKinnon (1999) suggest, namely that *"…we may have reached another turning point at which we must reconsider the way in which we approach culture in MCS research"* (pp. 502).

There is an ongoing debate about whether MCS should be seen as a package or whether the separate parts can be examined separately (Malmi and Brown, 2008; Ferreira and Otley, 2009; Grabner and Moers, 2013). This paper contributes to this discussion as it shows how the elements of the MCS link through culture, and as such, must be seen as a package.

**Figure 1.** Interaction of selected MCS with national culture and upper echelon theory



## 4.2. Contributions to practice

Practitioners need to be aware of how culture might influence MCS, as they need to take into consideration the aspects of national culture and upper echelon theory. National culture influences preferences and implementation of AM, the BSC, organizational design, participative budgeting and budgetary slack. Practitioners must also keep in mind that upper echelon theory is more likely to be relevant under conditions of high individualism and low uncertainty avoidance. It is important that the cultural controls in place in the organization can negate other influences of culture though practices such as the hiring process (e.g. Soeters and Schreuder, 1988), which may be a useful way to avoid friction with different aspects of culture.

## 4.3. Limitations

This review is subject to several limitations. First, we limit ourselves to journals found in the ABS guide, which has been subject to some criticism (Tourish and Willmott, 2015). Second, this review focuses only on MCS and disregards other aspects of accounting. Future research could investigate how culture interacts with other accounting practices, such as intellectual capital (Lueg et al., 2012), CSR and sustainability (Lueg et al. 2015) or integrated reporting (Lueg et al., 2015; Velte und Stawinoga, 2016).

## 4.4. Future research

Several opportunities for future research arise from this literature review. First, little research has been done on which of the cultural dimensions of Hofstede influence the managerial discretion managers have. There is support for individualism and low uncertainty avoidance having an effect. However, the other dimensions need further examination, as well. Crossland and Hambrick (2011) find that power distance does not have an influence, but this should be tested further, as it has been shown that managerial support is often of importance when implementing various MCS, and power distance may have an influence on this level of support. Second, future studies should also consider including qualitative methods as well as more TMT-characteristics. The influence of masculinity/femininity on the TMT should be examined as it has been found that male CEOs and CFOs are more risk seeking than their female counterparts (Huang and Kisgen, 2013). However, future studies utilizing Hofstede must include all the cultural dimensions. Third, another viable option for future research is an investigation of the interaction between the long/short term orientation and long-range/action planning according to the Malmi and Brown (2008) framework. Wang and Hunton (2011) have examined the effect of the cultural time orientation on the interaction between the budget horizon and employees satisfaction with participative budgeting. They find that the two must be congruent. Since their article has been retracted, it provides an excellent starting point for future research. Fourth, the propositions by Brewer (1998), on how international cultural diversity may affect implementation of AM, have been given relatively little attention, which should be addressed in future research. In addition, the link between the TMT and the implementation of AM would be a viable addition to the propositions. Fifth, for participative budgeting, the three-way interaction between budget emphasis, participation and task uncertainty affecting job-related tension is a viable topic for further research as there is agreement on the interaction effect, but disagreement on how they relate (Otley and Pollanen, 2000). Sixth, the few studies encountered on family businesses could indicate that the owners shape the culture of the organization, and that this often overrules formal MCS. There may be a viable research opportunity to link this with upper echelon theory to examine whether the MCS of family businesses reflect top manager characteristics. Researchers may turn to the review of MCS in family businesses by Senftlechner and Hiebl (2015) for inspiration. Seventh, external consultants also shape MCS through advisory. This review has excluded this external type of organizational culture but it constitutes an interesting branch of research (Canato and Giangreco, 2012; Lueg 2009, 2010). Eighth, some studies have developed constructs for culture that are supposedly created through MCS, such as a value-based culture (Homburg and Pflesser; Lueg 2008). Future research could look into the cause-and-effect of the MCS and these specific cultures. Ninth, the primary focus in this review has been on two of the predictions by Berry et al. (2009). We have only given limited attention to the second proposition, which states that control is equal to culture. Recent papers such as the one by Mikes and Morhart (2016) as well as the editorial by Jeacle and Miller (2016) find that MCS shape popular culture and may fall under this proposition, and as such, this area would make for an interesting future research topic.

## REFERENCES

1.  ABS Academic Journal Guide 2015, The Chartered Association of Business Schools.
2.  Al Chen, Y.S., Romocki, T. and Zuckerman, G.J. (1997). Examination of US-based Japanese subsidiaries: Evidence of the transfer of the Japanese strategic cost management. *The International Journal of Accounting,* 32 (4), pp. 417-440.
3.  Albertsen, O.A. and Lueg, R. (2014). The Balanced Scorecard's missing link to compensation: a literature review and an agenda for future research. *Journal of Accounting and Organizational Change,* 10 (4), pp. 431-465.
4.  Askary, S. (2006). Accounting professionalism – a cultural perspective of developing countries. *Managerial Auditing Journal,* 21 (1), pp. 102-111.
5.  Auyeung, P. and Sands, J. (1996). A cross cultural study of the learning style of accounting students. Accounting & Finance, 36 (2), pp. 261-274.
6.  Awasthi, V.N., Chow, C.W. and Wu, A. (1998). Performance measure and resource expenditure choices in a teamwork environment: the effects of national culture. *Management Accounting Research,* 9 (2), pp. 119-138.
7.  Awasthi, V.N., Chow, C.W. and Wu, A. (2001). Cross-cultural differences in the behavioral consequences of imposing performance evaluation and reward systems: An experimental investigation. *The International Journal of Accounting,* 36 (3), pp. 291-309.
8.  Baird, K., Harrison, G. and Reeve, R. (2007). Success of activity management practices: the influence of organizational and cultural factors. *Accounting & Finance,* 47 (1), pp. 47-67.
9.  Baird, K.M., Harrison, G.L. and Reeve, R.C. (2004). Adoption of activity management practices: a note on the extent of adoption and the influence of organizational and cultural factors. *Management Accounting Research,* 15 (4), pp. 383-399.
10. Baker, C.R. (1976). An investigation of differences in values: accounting majors vs. nonaccounting majors. *The Accounting Review,* 51 (4), pp. 886-893.
11. Bamber, E.M. (1993). Opportunities in behavioral accounting research. *Behavioral Research in Accounting,* 5, pp. 1-29.

12. Baskerville, R.F. (2003). Hofstede never studied culture. *Accounting, Organizations and Society*, 28 (1), pp. 1-14.
13. Baydoun, N. and Willett, R. (1995). Cultural relevance of western accounting systems to developing countries. *Abacus*, 31 (1), pp. 67-92.
14. Berry, A.J., Coad, A.F., Harris, E.P., Otley, D.T. and Stringer, C. (2009). Emerging themes in management control: A review of recent literature. *The British Accounting Review*, 41 (1), pp. 2-20.
15. Berson, Y., Oreg, S. and Dvir, T. (2008). CEO values, organizational culture and firm outcomes. *Journal of Organizational Behavior*, 29 (5), pp. 615-633.
16. Birnberg, J.G. (2004). Expanding our frontiers: management accounting research in the next decade?. *Advances in management accounting*, 13, pp. 1-26.
17. Birnberg, J.G. and Snodgrass, C. (1988). Culture and control: a field study. *Accounting, Organizations and Society*, 13 (5), pp. 447-464.
18. Borisov, B.G. and Lueg, R. (2012). Are you sure about what you mean by 'uncertainty'? The actor's perspective vs. the institutional perspective. *Proceedings of Pragmatic Constructivism*, 2 (2), pp. 51-58.
19. Boland, G., Sugahara, S., Opdecam, E. and Everaert, P. (2011). The impact of cultural factors on students' learning style preferences: A global comparison between Japan, Australia and Belgium. *Asian Review of Accounting*, 19 (3), pp. 243-265.
20. Brewer, P.C. (1998). National culture and activity-based costing systems: a note. *Management Accounting Research*, 9 (2), pp. 241-260.
21. Brownell, P. (1982). The role of accounting data in performance evaluation, budgetary participation, and organizational effectiveness. *Journal of Accounting Research*, 20 (1), pp. 12-27.
22. Brownell, P. and Dunk, A.S. (1991). Task uncertainty and its interaction with budgetary participation and budget emphasis: some methodological issues and empirical investigation. *Accounting, Organizations and Society*, 16 (8), pp. 693-703.
23. Brownell, P. and Hirst, M. (1986). Reliance on accounting information, budgetary participation, and task uncertainty: tests of a three-way interaction. *Journal of Accounting Research*, 24 (2), pp. 241-249.
24. Burkert, M. and Lueg, R. (2013). Differences in the sophistication of Value-based Management – The role of top executives. *Management Accounting Research*, 24 (1), pp. 3-22.
25. Burkert, M., Davila, A., Mehta, K. and Oyon, D. (2014). Relating alternative forms of contingency fit to the appropriate methods to test them. *Management Accounting Research*, 25 (1), pp. 6-29.
26. Busco, C. and Scapens, R.W. (2011). Management accounting systems and organisational culture: Interpreting their linkages and processes of change. *Qualitative Research in Accounting & Management*, 8 (4), pp. 320-357.
27. Canato, A., & Giangreco, A. (2011). Gurus or wizards? A review of the role of management consultants". *European Management Review*, 8 (4), pp. 231-244.
28. Carmona, S., Iyer, G. and Reckers, P.M. (2011). The impact of strategy communications, incentives and national culture on balanced scorecard implementation. *Advances in Accounting*, 27 (1), pp. 62-74.
29. Chan, C.W. (1998). Transfer pricing negotiation outcomes and the impact of negotiator mixed-motives and culture: empirical evidence from the US and Australia. *Management Accounting Research*, 9 (2), pp. 139-161.
30. Chanchani, S. and MacGregor, A. (1999). A synthesis of cultural studies in accounting. *Journal of Accounting Literature*, 18, pp. 1-30.
31. Chanchani, S. and Willett, R. (2004). An empirical assessment of Gray's accounting value constructs. *The International Journal of Accounting*, 39 (2), pp. 125-154.
32. Chanegrih, T. (2008). Applying a typology of management accounting change: A research note. *Management Accounting Research*, 19 (3), pp. 278-285.
33. Chenhall, R.H. (2003). Management control systems design within its organizational context: findings from contingency-based research and directions for the future. *Accounting, Organizations and Society*, 28 (2), pp. 127-168.
34. Chenhall, R.H. and Smith, D. (2011). A review of Australian management accounting research: 1980–2009. *Accounting & Finance*, 51 (1), pp. 173-206.
35. Chow, C.W., Harrison, G.L., McKinnon, J.L. and Wu, A. (2002). The organizational culture of public accounting firms: evidence from Taiwanese local and US affiliated firms. *Accounting, Organizations and Society*, 27 (4), pp. 347-360.
36. Chow, C.W., Harrison, G.L., McKinnon, J.L. and Wu, A. (1999A). Cultural influences on informal information sharing in Chinese and Anglo-American organizations: an exploratory study. *Accounting, Organizations and Society*, 24 (7), pp. 561-582.
37. Chow, C.W., Hwang, R.N., Liao, W. and Wu, A. (1998). National culture and subordinates' upward communication of private information. *The International Journal of Accounting*, 33 (3), pp. 293-311.
38. Chow, C.W., Kato, Y. and Shields, M.D. (1994). National culture and the preference for management controls: An exploratory study of the firm – labor market interface. *Accounting, Organizations and Society*, 19 (4), pp. 381-400.
39. Chow, C.W., Lindquist, T.M. and Wu, A. (2001). National culture and the implementation of high-stretch performance standards: An exploratory study. *Behavioral Research in Accounting*, 13 (1), pp. 85-109.
40. Chow, C.W., Shields, M.D. and Chan, Y.K. (1991). The effects of management controls and national culture on manufacturing performance: An experimental investigation. *Accounting, organizations and society*, 16 (3), pp. 209-226.
41. Chow, C.W., Shields, M.D. and Wu, A. (1999B). The importance of national culture in the design of and preference for management controls for multi-national operations. *Accounting, Organizations and Society*, 24 (5), pp. 441-461.
42. Chow, L.M., Chau, G.K. and Gray, S.J. (1995). Accounting reforms in China: cultural constraints on implementation and development. *Accounting and Business Research*, 26 (1), pp. 29-49.
43. Cooper, H.M. (1982). Scientific guidelines for conducting integrative research reviews. *Review of Educational Research*, 52 (2), pp. 291-302.
44. Cravens, K.S., Oliver, E.G., Oishi, S. and Stewart, J.S. (2015). Workplace Culture Mediates Performance Appraisal Effectiveness and Employee Outcomes: A Study in a Retail Setting. *Journal of Management Accounting Research*, 27 (2), pp. 1-34.
45. Crossland, C. and Hambrick, D.C. (2007). How national systems differ in their constraints on corporate executives: A study of CEO effects in

three countries. *Strategic Management Journal,* 28 (8), pp. 767-789.

46. Crossland, C. and Hambrick, D.C. (2011). Differences in managerial discretion across countries: how nation-level institutions affect the degree to which CEOs matter. *Strategic Management Journal,* 32 (8), pp. 797-819.

47. Curtis, M.B., Conover, T.L. and Chui, L.C. (2012). A cross-cultural study of the influence of country of origin, justice, power distance, and gender on ethical decision making. *Journal of International Accounting Research*, 11 (1), pp. 5-34.

48. Dalby, J., Lueg, R., Nielsen, L.S., Pedersen, L. and Tomoni, A.C. (2014). National culture and business model change: a framework for successful expansions. *Journal of Enterprising Culture*, 22 (4), pp. 463–483.

49. Dent, J.F. (1991). Accounting and organizational cultures: a field study of the emergence of a new organizational reality. *Accounting, Organizations and Society*, 16 (8), pp. 705-732.

50. Denyer, D. and Tranfield, D. (2011). Producing a systematic review. in: Buchanan, D.A. and Bryman, A., The SAGE handbook of organizational research methods SAGE, London, pp. 671-689.

51. Doupnik, T.S. and Tsakumis, G.T. (2004). A critical review of tests of Gray's theory of cultural relevance and suggestions for future research. *Journal of Accounting Literature*, 23, pp. 1-48.

52. Dunk, A. (2001). Behavioral research in management accounting: The past, present, and future. *Advances in Accounting Behavioral Research,* 4, pp. 25-45.

53. Dunk, A.S. and Nouri, H. (1998). Antecedents of budgetary slack: A literature review and synthesis. *Journal of Accounting Literature*, 17, pp. 72-96.

54. Efferin, S. and Hartono, M.S. (2015). Management control and leadership styles in family business: An Indonesian case study. *Journal of Accounting & Organizational Change,* 11 (1), pp. 130-159.

55. Efferin, S. and Hopper, T. (2007). Management control, culture and ethnicity in a Chinese Indonesian company. *Accounting, Organizations and Society,* 32 (3), pp. 223-262.

56. Endenich, C., Brandau, M. and Hoffjan, A. (2011). Two decades of research on comparative management accounting – achievements and future directions. *Australian Accounting Review*, 21 (4), pp. 365-382.

57. Etemadi, H., Dilami, Z.D., Bazaz, M.S. and Parameswaran, R. (2009). Culture, management accounting and managerial performance: Focus Iran. *Advances in Accounting*, 25 (2), pp. 216-225.

58. Ferreira, A. and Otley, D. (2009). The design and use of performance management systems: An extended framework for analysis. *Management Accounting Research,* 20 (4), pp. 263-282.

59. Fiss, P.C. and Zajac, E.J. (2004). The diffusion of ideas over contested terrain: The (non)adoption of a shareholder value orientation among German firms. *Administrative Science Quarterly,* 49 (4), pp. 501-534.

60. Frucot, V. and Shearon, W.T. (1991). Budgetary participation, locus of control, and Mexican managerial performance and job satisfaction. *Accounting Review,* 66 (1) , pp. 80-99.

61. Goddard, A. (1997A). Organisational culture and budgetary control in a UK local government organisation. *Accounting and Business Research,* 27 (2), pp. 111-123.

62. Goddard, A. (1997B). Organizational culture and budget related behavior: A comparative contingency study of three local government organizations. *The International Journal of Accounting,* 32 (1), pp. 79-97.

63. Gosselin, M. (1997). The effect of strategy and organizational structure on the adoption and implementation of activity-based costing. *Accounting, Organizations and Society,* 22 (2), pp. 105-122.

64. Grabner, I. and Moers, F. (2013). Management control as a system or a package? Conceptual and empirical issues. *Accounting, Organizations and Society,* 38 (6), pp. 407-419.

65. Granlund, M. and Lukka, K. (1998). Towards increasing business orientation: Finnish management accountants in a changing cultural context. *Management Accounting Research*, 9 (2), pp. 185-211.

66. Gray, S.J. (1988). Towards a theory of cultural influence on the development of accounting systems internationally. *Abacus*, 24 (1), pp. 1-15.

67. Greer, S. and Patel, C. (2000). The issue of Australian indigenous world-views and accounting. *Accounting, Auditing & Accountability Journal,* 13 (3), pp. 307-329.

68. Hambrick, D.C. (2007). Upper echelons theory: An update. *Academy of Management Review,* 32 (2), pp. 334-343.

69. Hambrick, D.C. and Mason, P.A. (1984). Upper echelons: The organization as a reflection of its top managers. Academy of Management Review, 9 (2), pp. 193-206.

70. Harrison, G.L. (1992). The cross-cultural generalizability of the relation between participation, budget emphasis and job related attitudes. *Accounting, Organizations and Society,* 17 (1), pp. 1-15.

71. Harrison, G.L. (1993). Reliance on accounting performance measures in superior evaluative style—the influence of national culture and personality. *Accounting, Organizations and Society,* 18 (4), pp. 319-339.

72. Harrison, G.L. and McKinnon, J.L. (1999). Cross-cultural research in management control systems design: a review of the current state. *Accounting, Organizations and Society,* 24 (5, pp. 483-506.

73. Harrison, G.L., McKinnon, J.L., Panchapakesan, S. and Leung, M. (1994). The influence of culture on organizational design and planning and control in Australia and the United States compared with Singapore and Hong Kong. Journal of International *Financial Management & Accounting,* 5 (3), pp. 242-261.

74. Harrison, P.D., Chow, C.W., Wu, A. and Harrell, A.M. (1999). A cross-cultural investigation of managers' project evaluation decisions. *Behavioral Research in Accounting,* 11, pp. 143-160.

75. Heidhues, E. and Patel, C. (2011). A critique of Gray's framework on accounting values using Germany as a case study. *Critical Perspectives on Accounting,* 22 (3), pp. 273-287.

76. Heinz, P., Patel, C. and Hellmann, A. (2013). Some theoretical and methodological suggestions for studies examining accountants' professional judgments and earnings management. *Advances in Accounting,* 29 (2), pp. 299-311.

77. Henri, J. (2006). Organizational culture and performance measurement systems. *Accounting, Organizations and Society,* 31 (1), pp. 77-103.

78. Hiebl, M.R. (2014). Upper echelons theory in management accounting and control research. *Journal of Management Control,* 24 (3), pp. 223-240.

79. Hofstede, G. (2003). What is culture? A reply to Baskerville. *Accounting, Organizations and Society,* 28 (7), pp. 811-813.

80. Hofstede, G.H., Hofstede, G.J. and Minkov, M. (2010). Cultures and organizations: software of the mind: intercultural cooperation and its importance for survival. 3rd ed., McGraw-Hill, New York, NY.

81. Hofstede, G. (1991). Cultures and organizations: software of the mind. McGraw-Hill, London.

82. Hofstede, G. (1980). Culture's consequences: international differences in work-related values" Sage, Beverly Hills.

83. Homburg, C. and Pflesser, C. (2000). A Multiple-Layer Model of Market-Oriented Organizational Culture: Measurement Issues and Performance Outcomes. *Journal of Marketing Research,* 37 (4), pp. 449-462.

84. Hopper, T. and Powell, A. (1985). Making sense of research into the organizational and social aspects of management accounting: A review of its underlying assumptions. *Journal of Management Studies,* 22 (5), pp. 429-465.

85. Huang, J. and Kisgen, D.J. (2013). Gender and corporate finance: Are male executives overconfident relative to female executives?. *Journal of Financial Economics,* 108 (3), pp. 822-839.

86. Iriyadi and Gurd, B. (1998). Cultural effects of budgetary participation: Indonesian evidence. *Asian Review of Accounting,* 6 (2), pp. 71-100.

87. Iskandar, T.M. and Pourjalali, H. (2000). Cultural influences on the development of accounting practices in Malaysia. *Asian Review of Accounting,* 8 (2), pp. 126-147.

88. Järvenpää, M. (2009). The institutional pillars of management accounting function. *Journal of Accounting & Organizational Change,* 5 (4), pp. 444-471.

89. Jakobsen, M. and Lueg, R. (2012). The Balanced Scorecard: the illusion of maximization without constraints. *Proceedings of Pragmatic Constructivism,* 2 (1), pp. 10-15.

90. Jakobsen, M. and Lueg, R. (2014). Balanced scorecard and controllability at the level of middle managers – The case of unintended breaches. *Journal of Accounting and Organizational Change,* 10 (4), pp. 516-539.

91. Jeacle, I. and Miller, P. (2016). Accounting, culture, and the state. *Critical Perspectives on Accounting,* 37, pp. 1-4

92. Jones, M.J., Munday, M. and Brinn, T. (1998). Speculations on barriers to the transference of Japanese management accounting. *Accounting, Auditing & Accountability Journal,* 11 (2), pp. 204-215.

93. Kelly, P.T. and Earley, C.E. (2009). Leadership and organizational culture: Lessons learned from Arthur Andersen. *Accounting and the Public Interest,* 9 (1), pp. 129-147.

94. Lau, C.M. and Buckland, C. (2000). Budget emphasis, participation, task difficulty and performance: the effect of diversity within culture. *Accounting and Business Research,* 31 (1), pp. 37-55.

95. Lau, C.M. and Caby, J. (2010). The effects of national culture on the role of participation in different task situations. *Advances in Accounting,* 26 (1), pp. 128-133.

96. Lau, C.M. and Eggleton, I.R. (2004). Cultural differences in managers' propensity to create slack. *Advances in International Accounting,* 17, pp. 137-174.

97. Lau, C.M., Low, L.C. and Eggleton, I.R. (1995). The impact of reliance on accounting performance measures on job-related tension and managerial performance: additional evidence. *Accounting, Organizations and Society,* 20 (5), pp. 359-381.

98. Lau, C.M., Low, L.C. and Eggleton, I.R. (1997). The interactive effect of budget emphasis, participation and task difficulty on managerial performance: a cross-cultural study. *Accounting, Auditing & Accountability Journal,* 10 (2), pp. 175-197.

99. Liu, L.Y. and Pan, F. (2007). The implementation of Activity-Based Costing in China: An innovation action research approach. *The British Accounting Review,* 39 (3), pp. 249-264.

100. Lueg, K., Lueg, R., Andersen, K. and Dancianu, V. (2016). Integrated reporting with CSR practices: a pragmatic constructivist case study in a Danish cultural setting. *Corporate Communications: An International Journal,* 21 (1), pp. 20-35.

101. Lueg, R. (2008), Value-based Management: Empirical Evidence on its Determinants and Performance Effects, WHU Otto Beisheim School of Management, Vallendar.

102. Lueg, R. (2009). Führt der Einsatz externer Berater zur Überimplementierung innovativer Steuerungsinstrumente?. *Zeitschrift der Unternehmensberatung,* 4 (6), pp. 249-253.

103. Lueg, R. (2010). Shareholder Value und Value Based Management – Wie steuern die HDAX-Konzerne?. *Zeitschrift für Controlling,* 22 (6), pp. 337-344.

104. Lueg, R. (2015). Strategy maps: the essential link between the Balanced Scorecard and action. *Journal of Business Strategy,* 36 (), pp. 34-40.

105. Lueg, R. and Borisov, B.G. (2014). Archival or perceived measures of environmental uncertainty? Conceptualization and new empirical evidence. *European Management Journal,* 32 (4), pp. 658–671.

106. Lueg, R. and Carvalho e Silva, A.L. (2013). When one size does not fit all: A literature review on the modifications of the balanced scorecard. *Problems and Perspectives in Management,* 11.2013 (3), pp. 86-94.

107. Lueg, R., Clemmensen, S.N. and Pedersen, M.M. (2015). The role of corporate sustainability in a low-cost business model – A case study in the Scandinavian fashion industry. *Business Strategy and the Environment,* 24 (5), pp. 344-359.

108. Lueg, R. and Julner, P. (2014). How are Strategy Maps linked to strategic and organizational change? A review of the empirical literature on the Balanced Scorecard. *Corporate Ownership & Control,* 11 (4), pp. 439-446.

109. Lueg, R. and Knapik, M. (2016). Risk management with management control systems: a pragmatic constructivist perspective. *Corporate Ownership & Control,* 13 (3), pp. 70-81.

110. Lueg, R. and Lu, S. (2012). Improving efficiency in budgeting – an interventionist approach to spreadsheet accuracy testing. *Problems and Perspectives in Management,* 10 (1), pp. 32-41.

111. Lueg, R. and Lu, S. (2013). How to improve efficiency in budgeting – the case of business intelligence in SMEs. *European Journal of Management,* 13 (2), pp. 109-120.

112. Lueg, R., Nedergaard, L. and Svendgaard, S. (2013). The use of intellectual capital as a competitive tool: A Danish case study. *International Journal of Management,* 30 (2), pp. 217-231.

113. Lueg, R. and Nørreklit, H. (2012). "Performance measurement systems – beyond generic strategic actions. in: Mitchell, F., Nørreklit, H., Jakobsen, M. (Eds.), The Routledge Companion to Cost Management, Routledge, New York, NY, pp. 342-359.

114. Lueg, R. and Radlach, R. (2016). Managing sustainable development with management control systems: a literature review. *European Management Journal,* 34 (2), pp. 158-171.

115. Lueg, R. and Vu, L. (2015). Success factors in Balanced Scorecard implementations – A literature review. *Management revue: socio-economic studies,* 26 (4), p. forthcoming.

116. Malmi, T. (1997). Towards explaining activity-based costing failure: accounting and control in a decentralized organization. *Management Accounting Research,* 8 (4), pp. 459-480.

117. Malmi, T. and Brown, D.A. (2008). Management control systems as a package –opportunities, challenges and research directions. *Management Accounting Research,* 19 (4), pp. 287-300.

118. Markus, M.L. and Pfeffer, J. (1983). Power and the design and implementation of accounting and control systems. *Accounting, Organizations and Society,* 8 (2), pp. 205-218.

119. Massaro, M., Dumay, J., and Guthrie, J. (2016). On the Shoulders of Giants: Undertaking a Structured Literature Review in Accounting. *Accounting, Auditing & Accountability Journal,* 29 (5), pp. 1-42.

120. McSweeney, B. (2002). Hofstede's model of national cultural differences and their consequences: A triumph of faith-a failure of analysis. *Human Relations,* 55 (1), pp. 89-118.

121. Mikes, A. and Morhart, F. (2016). Bringing Back Charlie Chaplin: Accounting as Catalyst in the Creation of an Authentic Product of Popular Culture. *Management Accounting Research,* (forthcoming).

122. Modell, S. (2012). The politics of the balanced scorecard. *Journal of Accounting & Organizational Change,* 8 (4), pp. 475-489.

123. Morakul, S. and Wu, F.H. (2001). Cultural influences on the ABC implementation in Thailand's environment. *Journal of Managerial Psychology,* 16 (2), pp. 142-158.

124. O'Connor, N.G. (1995). The influence of organizational culture on the usefulness of budget participation by Singaporean-Chinese managers. *Accounting, Organizations and Society,* 20 (5), pp. 383-403.

125. O'Connor, N.G. and Ekanayake, S. (1998). Culture's influence on budget emphasis: Some method issues and further evidence. *Asia-Pacific Journal of Accounting,* 5 (2), pp. 241-265.

126. Otley, D. (2016). The contingency theory of management accounting and control: 1980–2014. *Management Accounting Research,* 31, pp. 45-62.

127. Otley, D. and Pollanen, R.M. (2000). Budgetary criteria in performance evaluation: a critical appraisal using new evidence. *Accounting, Organizations and Society,* 25 (4), pp. 483-496.

128. Otley, D.T. (1980). The contingency theory of management accounting: achievement and prognosis. *Accounting, Organizations and Society,* 5 (4), pp. 413-428.

129. Perera, H., Cummings, L. and Chua, F. (2012). Cultural relativity of accounting professionalism: evidence from New Zealand and Samoa. *Advances in Accounting,* 28 (1), pp. 138-146.

130. Picard, R.R. and Reis, P. (2002). Management control systems design: a metaphorical integration of national cultural implications. *Managerial Auditing Journal,* 17 (5), pp. 222-233.

131. Pratt, J., Mohrweis, L.C. and Beaulieu, P. (1993). The interaction between national and organizational culture in accounting firms: An extension. *Accounting, Organizations and Society,* 18 (7), pp. 621-628.

132. Riahi-Belkaoui, A. (2004). Accounting theory. 5. ed., Thomson Learning, London.

133. Rousseau, D.M., Manning, J. and Denyer, D. (2008). Evidence in Management and Organizational Science: Assembling the Field's Full Weight of Scientific Knowledge Through Syntheses. *The Academy of Management Annals,* 2 (1), pp. 475-515.

134. Salter, S.B. and Lewis, P.A. (2011). Shades of Gray: An empirical examination of Gray's model of culture and income measurement practices using 20-F data. *Advances in Accounting,* 27 (1), pp. 132-142.

135. Salter, S.B. and Sharp, D.J. (2001). Agency effects and escalation of commitment: do small national culture differences matter?. *The International Journal of Accounting,* 36 (1), pp. 33-45.

136. Scheytt, T., Soin, K. and Metz, T. (2003). Exploring notions of control across cultures: a narrative approach. *European Accounting Review,* 12 (3), pp. 515-547.

137. Secord, P. and Su, X. (1994). An empirical analysis of culture and accounting models in Asia. *Asian Review of Accounting,* 2 (1), pp. 3-21.

138. Senftlechner, D. and Hiebl, M.R. (2015). Management accounting and management control in family businesses: Past accomplishments and future opportunities. *Journal of Accounting & Organizational Change,* 11 (4), pp. 573-606.

139. Shields, M.D. (1995). An empirical analysis of firms' implementation experiences with activity-based costing. *Journal of Management Accounting Research,* 7, pp. 148-166.

140. Shields, M.D. and Young, S.M. (1993). Antecedents and consequences of participative budgeting: evidence on the effects of asymmetrical information. *Journal of Management Accounting Research,* 5, pp. 265-280.

141. Smith, P.B., Dugan, S. and Trompenaars, F. (1996). National culture and the values of organizational employees a dimensional analysis across 43 nations. *Journal of Cross-Cultural Psychology,* 27 (2), pp. 231-264.

142. Soeters, J. and Schreuder, H. (1988). The interaction between national and organizational cultures in accounting firms. *Accounting, Organizations and Society,* 13 (1), pp. 75-85.

143. Stammerjohan, W.W., Leach, M.A. and Stammerjohan, C.A. (2015). The Moderating Effects of Power Distance on the Budgetary Participation–Performance Relationship. *Advances in Management Accounting,* 25, pp. 103-148.

144. Sulaiman, M. B., Ahmad, N. N. N. and Alwi, N. (2004). Management accounting practices in selected Asian countries: A review of the literature. *Managerial Auditing Journal,* 19 (4), pp. 493-508.

145. Sunder, S. (2002). Management control, expectations, common knowledge, and culture. *Journal of Management Accounting Research,* 14 (1), pp. 173-187.

146. Takeda, H. and Boyns, T. (2014). Management, accounting and philosophy: The development of management accounting at Kyocera, 1959-2013. *Accounting, Auditing & Accountability Journal,* 27 (2), pp. 317-356.

147. Toft, J.S. and Lueg, R. (2015). Does EVA beat earnings? A literature review of the evidence since Biddle et al. (1997). *Corporate Ownership and Control,* 12 (2), pp. 8-18.

148. Tourish, D. and Willmott, H. (2015). In defiance of folly: Journal rankings, mindless measures and the ABS guide. *Critical Perspectives on Accounting,* 26, pp. 37-46.

149. Trompenaars, F. and Hampden-Turner, C. (1997). Riding the Waves of Culture: Understanding Cultural Diversity in Business" Nicholas Brealey Publishing Limited, London.
150. Tsamenyi, M., Noormansyah, I. and Uddin, S. (2008). Management controls in family-owned businesses (FOBs): A case study of an Indonesian family-owned University. *Accounting Forum,* 32, pp. 62-74.
151. Tsui, J.S. (2001). The impact of culture on the relationship between budgetary participation, management accounting systems, and managerial performance: an analysis of Chinese and Western managers. *The International Journal of Accounting,* 36 (2), pp. 125-146.
152. Van der Stede, Wim A. (2003). The effect of national culture on management control and incentive system design in multi-business firms: evidence of intracorporate isomorphism. *European Accounting Review,* 12 (2), pp. 263-285.
153. Van der Stede, Wim A (2011). Management accounting research in the wake of the crisis: some reflections. *European Accounting Review,* 20 (4), pp. 605-623.
154. Van Triest, S. and Elshahat, M.F. (2007). The use of costing information in Egypt: a research note. *Journal of Accounting & Organizational Change,* 3 (3), pp. 329-343.
155. Velte, P. and Stawinoga, M. (2016). Integrated reporting: the current state of empirical research, limitations and future research implications. *Journal of Management Control* (forthcoming).
156. Wang, Z. and Hunton, J.E. (2011). The Effect of Congruence between Cultural Time Orientation and Budget Planning Horizon on Employees' Satisfaction with Participative Budgeting. *Advances in Accounting Behavioral Research*, 14, pp. 91-116.
157. Wickramasinghe, D. and Hopper, T. (2005). A cultural political economy of management accounting controls: a case study of a textile Mill in a traditional Sinhalese village. *Critical Perspectives on Accounting,* 16 (4), pp. 473-503.
158. Wickramasinghe, D., Hopper, T. and Rathnasiri, C. (2004). Japanese cost management meets Sri Lankan politics: Disappearance and reappearance of bureaucratic management controls in a privatised utility. *Accounting, Auditing & Accountability Journal,* 17 (1), pp. 85-120.
159. Williams, J.J. and Seaman, A.E. (2001). Predicting change in management accounting systems: national culture and industry effects. *Accounting, Organizations and Society,* 26 (4), pp. 443-460.
160. Yee, C.S., Otsuka, S., James, K. and Leung, J.K. (2008). Japanese culture and budgeting: a review of the literature and a limited pilot study to illustrate the research agenda. *Managerial auditing journal,* 23 (9), pp. 873-899.
161. Yoshikawa, T. (1994). Some aspects of the Japanese approach to management accounting. *Management Accounting Research,* 5 (3), pp. 279-287.
162. Zhang, Y.F., Hoque, Z. and Isa, C.R. (2015). The Effects of Organizational Culture and Structure on the Success of Activity-Based Costing Implementation. *Advances in Management Accounting,* 25, pp. 229-257.