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Institutional logics perspective in management control research

A review of extant literature and directions for future research

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Abstract

Purpose – This paper reviews management control literature which draws on the institutional logics perspective as the theoretical lens to understand the current grounding of this perspective on management control research. It identifies gaps in the current literature and offers possible future research directions.

Design/methodology/approach – For the purpose of this paper, five search engines (ABI INFORM, EBSCO, Emerald insight, JSTOR and Science Direct) were consulted, and 35 papers across 16 journals, which specifically fall within the area of management controls and institutional logics, were reviewed.

Findings – The review revealed that the institutional logics perspective has provided theoretical anchoring to management control-related areas such as budgeting, performance management and control tools in organizations. The extant studies have either used institutional logics as a single theoretical perspective or have integrated it with other theories such as neo-institutional theory, agency theory and structuration theory. The research settings of the papers span across firm level, industry level and government organizations and non-profit organizations. Most of the studies have used the qualitative case study approach, whereas a few have taken the mixed method research design.

Originality/value – Although there are a number of review papers in the area of management controls as well as on institutional theory in general, such reviews have not specifically been focused on the institutional logics perspective, which is a significant development within institutional theory, having provided theoretical backing to a wide range of management control studies over the years. Addressing this omission, this paper provides important insights for future researchers on what research has been done using the lens of institutional logics and what else is worth doing. In that sense, this paper contributes to the domain of management control research, as well as to the development of institutional theory in general and the institutional logics perspective in particular.

Keywords Institutional theory, Literature review, Institutional logics, Management controls

Paper type Literature review

1. Introduction

The roots to institutional theory can be traced to the seminal work of Meyer and Rowan (1977), and across the last four decades, it has spread to different intellectual arenas such as institutional entrepreneurship (Fligstein, 1997; Garud *et al.*, 2007), institutional logics (Friedland and Alford, 1991) institutional work and practices of individual and collective actors (Lawrence *et al.*, 2011), institutional change (Börner and Versteegen, 2013; Lounsbury and Glynn, 2001; Suddaby and Greenwood, 2005) and deinstitutionalization (Oliver, 1992). Institutional theory and its related developments have provided important theoretical



insights in exploring various facets of management accounting deliberations ranging from management accounting change, management controls, performance measurement, budgeting, manufacturing practices and cost management (Akbar *et al.*, 2015; Gooneratne and Hoque, 2016; Hussain and Gunasekaran, 2002; Hoque and Hussain, 2002; Hoque and Alam, 1999; Jazayeri *et al.*, 2011; Lawrence *et al.*, 2009; Munir and Baird, 2016; Reddy and Sharma, 2014; Sharma *et al.*, 2010; Sharma and Lawrence, 2005; Sharma *et al.*, 2014). It has also provided inspirations to researchers to come up with various theoretical frameworks grounded on institutional theory underpinnings (Burns and Scapens, 2000; Dillard *et al.*, 2004).

Among the various strands of institutional theory, institutional logics perspective is arguably a noteworthy development which has been widely drawn as a theoretical lens by management control researchers in exploring various management control issues. For example, adoption of management accounting and control systems in the non-profit sector (Järvinen, 2016), impact of regulations on management control practices in universities (Ahrens and Khalifa, 2015), management accounting system change with external pressures in Finnish defense force (Hyvönen *et al.*, 2009), individual subjectivity influence on institutionalization of new accounting practices (Ancelin-Bourguignon *et al.*, 2012), development of budgeting practices in situations of competing institutional logics (Ezzamel *et al.*, 2012), role of performance measurement systems (PMS) in managing the coexistence of different institutional logics (Carlsson-Wall *et al.*, 2016) and how change in the institutional logics of an organizational field diffuse through the management controls in a firm (Dambrin *et al.*, 2007). Quite apart from the above, within the current body of literature, there are several reviews on the extant use of institutional theory and possible research directions (Arroyo, 2012; Delbridge and Edwards, 2007; Lawrence *et al.*, 2013; Modell, 2015; Scott, 1987, 2008; Suddaby, 2010; Tolbert and Zucker, 1996). Although the logics perspective has been an important analytical lens for an array of management control studies as evident above, a systematic review on studies taking an institutional logics perspective has not been the focus of prior researchers. Through this paper, we redress this omission. Our review paper, while recognizing the potential and wide-encompassing applicability of the logics perspective in management control research, highlights gaps in existing research and suggests future research avenues. By doing so, this paper contributes broadly to institutional theory and more specifically to the institutional logics perspective by portraying the current use of this perspective and providing possible areas of theoretical proliferation[1].

Alford and Friedland (1985) introduced institutional logics to describe different practices and beliefs of different institutional orders (capitalism, state bureaucracy and political democracy) in Western societies and how those orders shape individual behavior. Friedland and Alford (1991) further developed this perspective by elaborating the interrelationship between individuals, organizations and society through these different institutional orders and their practices. Moreover, Thornton *et al.* (2015) explicated that there are six institutional orders (family, religion, market, state, profession and corporation) in the society with a central logic that guide its organizing principles and provide social actors with vocabularies of motives and a sense of self-identity. "These practices and symbols are available to individuals, groups and organizations to further elaborate, manipulate and use to their own advantage" (Friedland and Alford, 1991, p. 232). As a result, institutions with their core logic shape heterogeneity, stability and change in individual organizations (Thornton *et al.*, 2015).

Quite apart from the above, management controls have evolved over the years from a more formal approach which provides financially quantifiable information to assist

managerial decision-making into a sociological approach which provides a much broader range of information for managerial decision-making: external information related to customers, market, competitors and to the process of production (Chenhall, 2003). This latter approach is “more active, furnishing individuals with power to achieve their own ends” (Chenhall, 2003, p. 129) and emphasizes the need of identifying management control practice in a contemporary setting, where controls can be viewed as a reflection of wider social and political interactions (Gooneratne and Hoque, 2016; Hyvönen *et al.*, 2009; Johansen *et al.*, 2015; Schäffer *et al.*, 2015; Uddin and Tsamenyi, 2005; Wickramasinghe and Hopper, 2005). During the process of its evolution, management control issues have been explicated from various theoretical approaches ranging from contingency theory (Brownell, 1982; 1987; Burns and Waterhouse, 1975; Hopwood, 1972; Simons, 1995) to sociological theories (Ahrens and Khalifa, 2015; Hopper *et al.*, 2009; Wickramasinghe *et al.*, 2004). Contingency theory-based studies have identified the impact of contingent factors on management controls, whereas sociological approaches have explored the influence of societal and environmental factors on organizations and their response to those factors. The significance of institutional fields and societal level considerations on organizational practices has been identified through theoretical lenses such as institutional theory (Hoque and Hussain, 2002; Hoque and Alam, 1999; Lawrence *et al.*, 2009; Munir and Baird, 2016; Reddy and Sharma, 2014; Sharma *et al.*, 2010; Sharma and Lawrence, 2005; Sharma *et al.*, 2014) and through current developments in institutional theory (including the institutional logics perspective) (Dambrin *et al.*, 2007; Järvinen, 2016; Jazayeri *et al.*, 2011).

With this backdrop, this review paper is focused upon management control research taking an institutional logics perspective, and it strives to address the following two research questions:

- RQ1. How has institutional logics perspective being grounded by extant management control researchers?
- RQ2. How could institutional logics perspective be further proliferated with management control research?

By doing so, this paper attempts to contribute to management control research, as well as to the development of the institutional logics perspective.

The remainder of the paper is organized as follows. The next section outlines the review method. Section 3 presents an overview of the institutional logics perspective, whereas Section 4 elaborates on how the institutional logics perspective has been used as a theoretical lens in prior management control research. Section 5 summarizes the gaps in the extant literature and provides directions for future research followed by a conclusion in Section 6.

2. Review method

While conducting this review, five search engines were consulted: ABI INFORM, EBSCO, Emerald insight, JSTOR and Science Direct. The search query “management accounting” OR “management control systems” OR “management controls” OR “organizational controls” AND “institutional logics” were used, and the option of “anywhere” of the paper was selected. This covers all publications in the aforementioned search engines from the inception of the journal until August of 2016. The search result included 107 papers in EBSCO, ten in JSTOR, seven in Emerald, 78 in ABI INFORM and 21 in Science Direct. To avoid repetition, all papers were saved in different folders in the first author’s first name and the publication year. Likewise, five folders were maintained at the initial step. Next, the abstracts of those papers were reviewed, and it was then revealed that a large number of

unrelated articles which had no connection to the study were also shown in the list. This was because certain databases identified papers that contained the word “management” alone, as well as words such as “sociological”, “methodological” or “chronological” as the letters comprising the word “logic” appear in those words. After reading all the abstracts, such unrelated articles were eliminated. Then, all the papers were taken into a single folder so that any repetitions could be tracked because if the paper was already saved in the folder, the computer automatically identified that the paper was already saved. Subsequent to removing all the repetitions, 35 papers[2] related to the precise study requirement (management controls from the institutional logics perspective) were identified and selected for the review.

As depicted in Table I, related articles were spread across 16 journals. The highest number of papers were found in *Accounting, Auditing and Accountability Journal* (six), followed by *Financial Accountability and Management* (four), *Management Accounting Research* (four), *Qualitative Research in Accounting and Management* (three) and *International Journal of Public Sector Management* (three). Further, *Accounting Organizations and Society*, *European Accounting Review*, *Journal of Accounting and Organizational Change*, *Performance Measurement and Management Control: Global Issues: Studies in Managerial and Financial Accounting* published two papers each. *Academy of Management Journal*, *African Journal of Economic and Management Studies*, *Journal of Management Accounting Research*, *Journal of Management Studies*, *Journal of Management and Organization*, *Public Administration* and *The Academy of Management Perspectives* had published one paper each connected to the topic under inquiry.

3. Institutional logics perspective as the theoretical lens

The use of institutional theory in accounting research has mostly emphasized isomorphic pressures and irrationality (Lounsbury, 2001, 2008), and, therefore, organizational orthodoxy to those pressures and the similarity of practices across organizations are well understood. In the words of Thornton *et al.* (2015, p. 15), “neo-institutional perspective is a

Journal	No. of papers
<i>Academy of Management Journal</i>	1
<i>Accounting, Auditing and Accountability Journal</i>	6
<i>Accounting Organizations and Society</i>	2
<i>African Journal of Economic and Management Studies</i>	1
<i>European Accounting Review</i>	2
<i>Financial Accountability and Management</i>	4
<i>International Journal of Public Sector Management</i>	3
<i>Journal of Accounting and Organizational Change</i>	2
<i>Journal of Management Accounting Research</i>	1
<i>Journal of Management Studies</i>	1
<i>Journal of Management and Organization</i>	1
<i>Management Accounting Research</i>	4
<i>Public Administration</i>	1
<i>Performance Measurement and Management Control: Global Issues</i>	2
<i>Studies in Managerial and Financial Accounting</i>	
<i>Qualitative Research in Accounting and Management</i>	3
<i>The Academy of Management Perspectives</i>	1
Total	35

Table I.
Distribution of
papers across
journals

set of concepts and theories of environmental effects on organization and cultural homogeneity”.

Even though the roots of the institutional logics perspective can be traced to neo-institutional sociology, it emerged as a reaction to the lack of a theory of agency from a neo-institutional perspective (Friedland and Alford, 1991; Thornton *et al.*, 2015). With the emergence of institutional logics as a theoretical strand, researchers have been focusing on organizational heterogeneity and rationality instead of on homogeneity and irrationality as popularly posited by institutional theory. The institutional logics perspective is a “meta-theory of institutions that includes organizations and explains not simply homogeneity but also heterogeneity” (Thornton *et al.*, 2015, p. 15). According to Friedland and Alford (1991), it has the capacity to theorize the duality of the material-practice-based aspects of institutions of DiMaggio and Powell (1983) and the cultural-symbolic aspects of Meyer and Rowan (1977). Therefore, it is capable of explicating the heterogeneity of organizational practices and providing a more conclusive perspective on agency (Thornton *et al.*, 2015).

The institutional logics perspective evolved from the work of Friedland and Alford (1991) and as Thornton *et al.* (2015, p. 2) put it, it postulates how “logics represent frames of reference that condition actors’ choice for sense making, the vocabulary they use to motivate action and their sense of self and identity”. Thornton *et al.* (2015, p. 2) define institutional logic as:

[...] the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences.

It explicates how cognition is structured and decision-making is guided by broad belief systems (Lounsbury, 2008; Suddaby and Greenwood, 2005; Thornton *et al.*, 2015). It rejects both individualistic, rational choice theories and macro-structural perspectives, and mainly focuses on the micro-processes of change in practice variation. It posits that institutions in society, such as the market, the state and professions, have a central logic (Thornton *et al.*, 2015). These logics can emerge from the external environment (Selznick, 1957; Thornton *et al.*, 2015) or intra-organizational sub-groups (Cyert and March, 1963). It further explicates how organizational field[3] is embedded in broader societal value systems and how changes in societal value systems either change the dominating logic of the field or how multiple logics coexist and compete for attention (Modell, 2015). Past studies have found that the simultaneous existence of these multiple logics (external and internal) leads to conflicts and contestations within organizations because actors resist the institutionalization of external pressures to pollinate efficiency requirements (Battilana and Dorado, 2010; Zilber, 2002) or coexistence of different logics within an organization (McPherson and Sauder, 2013). Therefore, to resolve these different standpoints, researchers have been investigating individual organizational responses to multiple institutional logics (Schäffer *et al.*, 2015), i.e. how actors resist institutionalization in search of organizational efficiency (Anderson, 1992; Dirsmith *et al.*, 2000; Hinings *et al.*, 2003).

4. The use of institutional logics perspective as a theoretical lens in management control research

This section examines prior management control research studies which uses the institutional logics perspective (either as a single theoretical lens or as an integrated theoretical lens with other theories) in terms of the issues explored, and their findings,

research methods used and the research settings explored. [Appendix](#) provides a summary of such previous research.

4.1 Areas focused and findings revealed

As seen in [Table II](#), out of the 35 articles reviewed, 25 papers focus on management controls in general as the research scope rather than a single management control tool. Six studies have focused on individual areas such as performance management and the remaining four have been founded on budgeting.

The studies which consider management controls more broadly as the research scope (rather than referring to an individual control tool) have elaborated how societal and field level factors impact management control practices. Therefore, these studies have explored the impact of regulations on management control practices ([Ahrens and Khalifa, 2015](#)), how public organizations respond to contradictory demands for institutional reforms and the types of hybridization they entail ([Fossestøl et al., 2015](#)), how management accounting systems change with external pressures such as new public management reforms ([Hyvönen et al., 2009](#)), how new types of hybrid organizations can develop and maintain their hybrid nature in handling the tension between the logics they combine ([Battilana and Dorado, 2010](#)) and how change in the institutional logics of an organizational field is diffused through the management control systems of a firm ([Dambrin et al., 2007](#)). Also noteworthy among the studies reviewed were those founded on change in management accounting and control with the impact of logics in the institutional fields ([Kantola and Järvinen, 2012](#); [Lambert and Sponem, 2011](#)).

Performance measurement has also been significantly researched within the institutional logics perspective (five out of 35 papers being premised on it). For instance, the study by [Jazayeri et al. \(2011\)](#) explores how subversion (insiders' use of existing institutional logics) and integration (insiders' use of imported institutional logics of the field) take place in organizations and how they impact performance measurement systems of organizations. Drawing from institutional logics, neo-institutional sociology, old institutional economics and framework of [Busco et al. \(2007\)](#), [Leotta and Ruggeri \(2015\)](#) elaborate on how the Italian health-care sector has been subject to normative changes to increase efficiency, how managerial and professional logic compete with each other and how a performance measurement system was institutionalized.

A number of studies on budgeting have also drawn on the institutional logics perspective. Out of the 35 studies reviewed, four have focused on budgeting practices. For example, a study by [Kasumba \(2013\)](#), drawing on neo-institutional sociology and institutional logics as theoretical lenses, reveals the extent to which institutional pressures can be used in creating and sustaining new budgetary practices in local governments in Uganda. [Ezzamel et al. \(2012\)](#) explore how a budgeting practice was introduced in the education field amid the tension between new business logic, professional logic and governance logic.

Areas covered	No. of papers
Management controls more broadly as the research scope	25
Performance measurement	6
Budgeting	4
Total	35

Table II.
The scope of research

4.2 Research methods deployed

By and large, in terms of the research methods deployed, the reviewed articles can be categorized into four groups, namely, qualitative case studies, surveys, descriptive and archival data. The qualitative case study method appears to be the predominant research design (23 studies), revealing an important trend in institutional theory and logics-related management control studies. This is understandable given that the institutional logics perspective being a theory with a sociological origin is more receptive to qualitative researchers. The high use of qualitative case study method is followed by descriptive methods (ten). Moreover, one study has used the mixed method survey combined with interviews and another one archival analysis. Table III depicts the frequency of the research methods used in the selected articles.

Most of the studies (Bruton *et al.*, 2015; Carlsson-Wall *et al.*, 2016; Cruz *et al.*, 2009; Dambrin *et al.*, 2007; Herremans and Nazari, 2016; Jazayeri *et al.*, 2011; Mineev, 2015; Schäffer *et al.*, 2015; Singh and Jayanti, 2013) have followed single or multiple cases as their study method to analyze management control issues. For instance, Cruz *et al.* (2009) elaborate on how and why there is a practice variation between a global corporation and a joint venture with regard to management control systems. The study by Carlsson-Wall *et al.* (2016) explicates the role of performance measurement systems in managing the coexistence of different logics in a football organization. Further, there are other studies that have followed a comparative case study approach (Battilana and Dorado, 2010; Järvinen, 2016; Jazayeri *et al.*, 2011). While Battilana and Dorado (2010), comparing two commercial microfinance organizations, explored how a new type of hybrid organization develops and maintains its hybridity by handling the tension between different logics, Järvinen (2016) reported on how accounting and management controls serve as a medium to negotiate and choose between multiple and conflicting logics in two Finnish non-profit health-care institutions. Jazayeri *et al.* (2011) explored two institutional change scenarios, subversion (insiders’ use of existing institutional logics) and integration (insiders’ use of imported logics) in performance measurement systems in a large UK manufacturing organization and a medium-scale Sri Lankan manufacturing organization.

Kilfoyle and Richardson (2015) used mainly archival data (minutes of congress and committee meetings of the Universal Postal Union in Switzerland) and found that government and control mechanisms of that entity are enacted through the collective entrepreneurship of governance bodies using management accounting and control mechanisms as institutional carriers.

4.3 Theories used

While some of the studies under review have drawn on the institutional logic perspective as the prima facie theoretical point of departure (Ahrens and Khalifa, 2015; Currie *et al.*, 2015; Jazayeri *et al.*, 2011; Kantola and Järvinen, 2012; Lambert and Sponem, 2011; Mineev, 2015), most of the studies (21) (Ancelin-Bourguignon *et al.*, 2012; Bruton *et al.*, 2015; Dambrin

Table III.
Research methods
deployed

Research methods	No. of papers
Qualitative case studies	23
Mixed method	1
Archival	1
Descriptive	10
Total	35

et al., 2007; Hyvönen *et al.*, 2009; Järvinen, 2016; Johansen *et al.*, 2015; Leotta and Ruggeri, 2015) have used theoretical triangulation (institutional logics perspective with other theories). Theoretical triangulation refers to “using factors from different theoretical perspectives concurrently to examine the same dimension of a research problem” (Hoque *et al.*, 2013, p. 1173). Whereas Lounsbury (2008) calls for multiple theoretical approaches to understand the practice variation of actors and practices, the need to see accounting-related research problems from multiple theoretical perspectives has a long history and dates back to the work of Burchell *et al.* (1980, p. 19), who state:

Accounting, it would appear, can be inter-twined with social as well as organizational practice. Unfortunately, however, very little is known about either the social nature of accounting thought and practice or the interplay between the social or the organizational.

The studies under review have drawn from other theories such as neo-institutional sociology, Scott’s three institutional pillars, institutional work, Hasselbladh and Kallinikos’ framework, Oliver (1991), structuration theory and Orton and Weick perspective on loose coupling by triangulating with the logics perspective to analyze management control-related issues. Among these integrations, the study by Leotta and Ruggeri (2015) has integrated neo-institutional sociology, old institutional economics and the Busco *et al.* (2007) framework with institutional logics to elaborate on performance measurement and evaluation system as an institutional process in the health-care sector. Bruton *et al.* (2015) examine macro-and micro-level institutional influences on state-owned enterprises’ management and control by integrating agency theory with institutional logics. Moreover, Cruz *et al.* (2009) triangulate neo-institutional sociology, institutional logics and Orton and Weicks’ perspective on loose coupling to examine how and why joint venture managers introduce practice variations in their management control rules and procedures in institutionalizing global management controls imposed by the global corporation. By drawing on other theoretical lenses in tandem with institutional logics perspectives, these researchers have been able to provide a better understanding of the phenomenon under their study.

4.4 Research contexts explored

As shown in Table IV, the research contexts of reviewed articles cover different settings and levels. While some studies use the firm as the context, several others consider the industry as the context, and some of the articles have selected non-profit organizations, education and higher education institutes and hospitals as their research context.

Within the reviewed articles, the mostly used research context is the firm level (11) and it spreads into different fields such as food (Järvenpää and Lämsiluoto, 2016), multinationals (Lambert and Sponem, 2011), manufacturing (Englund *et al.*, 2013; Jazayeri *et al.*, 2011), pharmaceutical (Dambrin *et al.*, 2007; Singh and Jayanti, 2013), hotels (Cruz *et al.*, 2009), microfinance (Battilana and Dorado, 2010), oil and gas (Herremans and Nazari, 2016; Mineev, 2015) and fabric (Schäffer *et al.*, 2015). This is followed by research settings in non-profit organizations (eight; for example, Amans *et al.*, 2015; Carlsson-Wall *et al.*, 2016; Järvinen, 2016; Leotta and Ruggeri, 2015) and then state-owned entities (six; for example Ancelin-Bourguignon *et al.*, 2012; Hyvönen *et al.*, 2009; Kasumba, 2013) and education/higher education institutes (four). Three studies have focused on hybrid organizations (Bruton *et al.*, 2015; Currie *et al.*, 2015; Johansen *et al.*, 2015), another three on the hospitality sector (Cruz *et al.*, 2009; Kantola and Järvinen, 2012; Makrygiannakis and Jack, 2016), whereas one study has considered the postal union as their research setting (Kilfoyle and Richardson, 2015).

Table IV.
Research contexts
focused

Research context	No. of papers
<i>Firm level</i>	11
Food industry	1
Multinationals	1
Manufacturing	2
Pharmaceutical	2
Hotels	1
Microfinance	1
Oil and gas	2
Fabric	1
<i>Industry level</i>	3
<i>Health care</i>	2
<i>Hospitality</i>	1
<i>State-owned entities</i>	6
<i>Non-profit organizations</i>	8
<i>Education and higher education institutes</i>	4
<i>Hybrid organizations</i>	3
<i>Union in postal sector</i>	1
Total	35

5. Extant literature: current status, gaps and directions for future research

Figure 1 provides a snapshot view of the current status of management control research taking an institutional logics perspective in terms of the issues focused, research methods used, theories adopted, the research contexts explored and then offers avenues for future scholarly inquiry in the arena of management control, as well as methodological and theoretical directions.

The foregoing review suggests that the current body of literature covers studies which consider management control as the broad research scope[4] (Ahrens and Khalifa, 2015; Dambrin *et al.*, 2007; Hyvönen *et al.*, 2009; Schäffer *et al.*, 2015), performance management (Jazayeri *et al.*, 2011; Leotta and Ruggeri, 2015) and budgeting (Ezzamel *et al.*, 2012; Kasumba, 2013).

It became apparent from the aforementioned review that most of the researchers have focused on analyzing how organizations handle tension between various logics in the organizational field and how such logics get reflected through management accounting practices, how management accounting functions and how the role of the management accountant changes with societal and field level logics. For example, the study by Ahrens and Khalifa (2015) elaborates on the impact of regulations on management control practices in organizations and how management control compliance is used as a strategic response to these regulation impacts. Hyvönen *et al.* (2009) explicate how management accounting systems of organizations change with new public management reforms. In the meantime, Johansen *et al.* (2015), founded upon three hybrid organizations, elaborate on how managers perceive and manage meetings between different institutional logics and how it impacts on control of the business. The study by Makrygiannakis and Jack (2016) investigates the impact of the 2008 financial crisis on budgeting and control practices of Greek hospitality organizations and how organizational agents' reasoning and conduct play a significant role in changing management accounting practices in an organization. Lambert and Sponem (2011), in a study of 73 multinational companies, explicate how culture and institutions have an impact on the role of the management accountant.

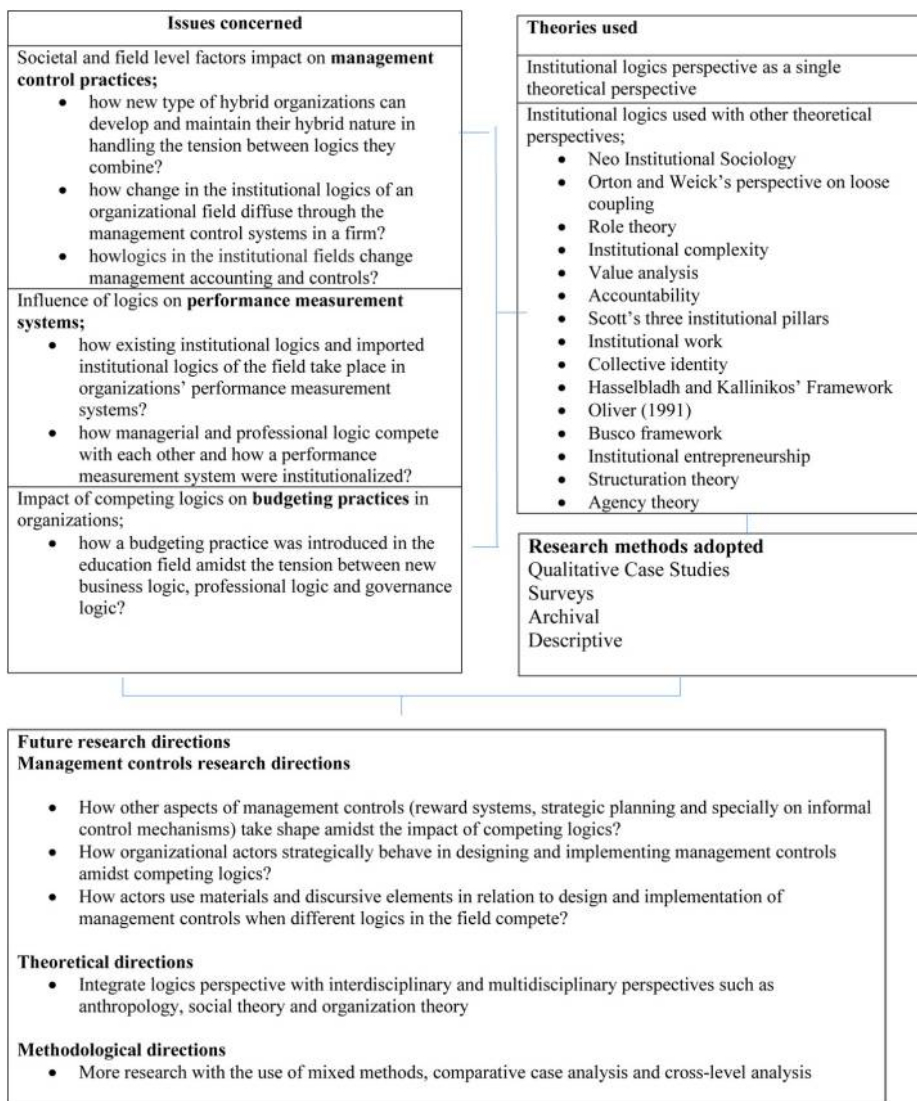


Figure 1. Current status and direction for future research

These studies reveal that the design and implementation of management controls in organizations are largely influenced not only by complex extra-organizational factors but also by contextual variables within organizations, and that dynamics of power and internal conflicts get intertwined with management control practices of organizations. Although those studies have attempted to explicate the impact of logics on the management controller or the control function to a certain extent, explanations are limited in the area of how social interactions within the organizations create complexity and how their strategic responses to such complexity are conceptualized and implemented and how they impact management

control practice of an organization. In the meantime, exploring developments of strategic planning systems and operational level controls in organizations with the influence of field-level institutions and organizational dynamics from the institutional logics perspective as the theoretical lens is another research avenue which deserves more exploration. How actors use informal controls such as leadership, culture, values and norms in implementing formal control practices where different interactions take place also lacks explanation in the current literature. Besides, how such informal control mechanisms and structures supplement or subdue formally designed control mechanisms need future scholarly inquiry. Consequently, how management controls of an organization take shape amid logics in the field and society and internal dynamics requires further elaboration.

Theoretically, while some management control studies taking an institutional logics perspective have used the institutional logics perspective as a single theory (Ahrens and Khalifa, 2015; Carlsson-Wall *et al.*, 2016; Currie *et al.*, 2015; Ezzamel *et al.*, 2012; Fossetøl *et al.*, 2015; Jazayeri *et al.*, 2011; Kantola and Järvinen, 2012; Lambert and Sponem, 2011; Mineev, 2015; Pettersen, 2015), certain others have opted to integrate it with other theoretical perspectives. Among the studies that are taking the latter option, a significant number have leaned on various related theoretical concepts stemming from institutional theory such as neo-institutional sociology, institutional entrepreneurship, the framework of Busco *et al.* (2007), old-institutional economics and institutional complexity (a branch of institutional logics perspective) as the theoretical lens (Amans *et al.*, 2015; Cruz *et al.*, 2009; Hyvönen *et al.*, 2009). For example, Cruz *et al.* (2009) explain that management controls imposed by a global hotel chain (head office) were adapted by a company in Portugal with little resistance because the Portuguese hotel was embedded with common norms and logics of the hotel industry. They have drawn on neo-institutional analysis to show the impact of the institutional forces, whereas logics perspective was used to examine how an organization uses practice variation. Amans *et al.* (2015) state that budgeting practice has become heterogeneous in different organizations, as the complex logics of the industry are filtered by the organization's situational factors. Several other researchers have integrated institutional logics with other theories such as structuration theory (Currie *et al.*, 2015), collective identity (Järvenpää and Lämsiluoto, 2016), practice theory (Wagner *et al.*, 2011) and Hasselbladh and Kallinikos' framework (Ancelin-Bourguignon *et al.*, 2012).

In light of the aforementioned review, one could say that the institutional logics perspective could be integrated with more critical theoretical approaches such as Habermasian insights. The work of Sharma and Lawrence (2015), which elaborates the convergence of the political and economic interests of the Fijian elite in transforming state assets into private property and financial gain with the Habermasian theoretical framework, is a noteworthy attempt in this front. Moving forward, logics perspective could be integrated with Habermasian framework, and doing so, will enable one to understand how varying levels of resistance occur owing to the conflicts between different institutions, and how this impacts on the possibilities of emancipation. The population-ecology theory asserts that organizational survival is determined only if they follow appropriate adaptive mechanisms and the theory is criticized for not considering individual organizations (Chenhall, 2003). If it is brought together with the institutional logics perspective especially with institutional complexity, it would be possible to better understand the preconditions for organizational growth, change or death (Chenhall, 2003). By integrating the logics perspective with materials (structures and practices) and discursive elements (ideations and meanings) (Jones *et al.*, 2013; Thornton *et al.*, 2015), it would be possible to explain how organizational actors use material elements with discursive elements to deal with different logics. Such integrations with different theoretical perspectives, while expanding the use of institutional

logics perspective would add to the ongoing debate on theory triangulation in management control research. By drawing on other theoretical lenses in tandem with the institutional logics perspectives, these researchers have been able to provide a better understanding of the phenomenon under their study.

Methodologically, most prior studies are in the form of qualitative case studies. This is to be expected because qualitative researchers are more receptive to sociological theories (such as institutional logic perspective) as their theoretical lens. However, to understand how management control practices reflect wider social and environmental aspects, multi-level (individual, organizational and field level) studies are required. Therefore, this review calls for such multi-level in-depth case studies to better understand management controls through the lens of institutional logics. It would be of further interest if the case organization consists of several clusters or branches. By doing so, researchers would be able to explain how different clusters within an organization respond differently to the same field-level influences caused by the power and interests of key members in clusters. Such a case analysis would elucidate how individual, organizational and field-level dynamics interact with each other and ultimately how management controls of an organization are designed and implemented. From a methodological front, a further use of the institutional logic perspective could be to apply a mixed method approach possibly drawing on interviews and survey data to identify how societal and field-level dynamics impact on control practices of organizations, and how those practices are differently institutionalized within organizations because of different interests and values of key organizational actors.

Contextually, the research contexts of most of the articles represent developed economies such as Russia, Germany, the UK, Norway, Greece and Finland. Only one study has focused on Asian countries (Sri Lanka) (Jazayeri *et al.*, 2011). This shows that there is limited research specifically grounded on institutional logics focused on the Asian context, despite the presence of an array of studies in the Pacific region taking an institutional theory perspective.

More studies are required in relation to developing countries where social and political structures often dominate rational decision-making (Hewage, 2012) with the presence of competing logics. For instance, it would be interesting to understand how management controls are designed and implemented in organizations in developing countries, such as in the manufacturing sector (apparel, tea and rubber) where customers are Western buyers. However, this has not been the focus of past researchers. By doing so, it will be possible to understand how different logics such as professional, market and state-create conflicts with local existing control mechanisms and ultimately how this gets reflected through the control practices of those organizations. Furthermore, management controls in local communities, such as traditional villages in developing countries, where traditional norms, values and belief systems are prominent are also a potentially interesting future research avenue. Such research attempts would shed light on how traditional logics compete with global logics, and ultimately how management controls reproduce wider social and political implications. It is also evident through the review of prior studies in management control taking a logics perspective that the firm level has been commonly used as the context for firms in different industries (such as food, multinational, manufacturing, pharmaceutical lab, hotels, micro finance and oil and gas fabric), as well as for educational institutes, government organizations, hybrid organizations and non-profit organizations. Therefore, it would be interesting to explore how management control practices are reflected differently in various strategic business units such as branches/clusters in the same organization because of the influence of leaders who carry different logics.

6. Concluding remarks

This paper provides a review on the extant management control literature inspired by the institutional logics perspective, identifies gaps in the current literature and offers directions for future research.

The institutional logics perspective, which was developed with the work of [Friedland and Alford \(1991\)](#), explains how the organizational field is embedded in broader societal value systems and how changes in societal value systems either change the dominate logics of the field or how multiple logics coexist and compete for attention ([Modell, 2015](#)). The roots of the logics perspective could be traced to the neo-institutional sociology perspective, yet it is different from the neo-institutional analysis because it is a meta-theory of institutions and explains not simply homogeneity (as explained by neo-institutional theory) but also heterogeneity. For instance [Thornton et al. \(2015, p. 3\)](#) notes:

[...] the society and social relations are not just about the diffusion of material structures, but also about culture and the symbolic. They posited not a theory of environmental effects on organizations, but instead a meta-theory of institutions that includes individuals and organizations with more than enough import to research across the social sciences.

Keeping up with its wide encompassing nature, our review explicates that the use of the logics perspective has spread over to management control-related areas such as management controls more broadly, as well as budgeting and performance management specifically. For instance, how societal and field level factors impact management control practices, how logics influence on performance measurement systems and how the impact of competing logics on budgeting practices in organizations have captured the interest of prior researchers.

As elaborated earlier in the paper, our review also reveals that prior researchers have either used institutional logics perspective as a single theory or have integrated it with other theories such as neo-institutional theory, agency theory and structuration theory. More particularly, by integrating with other theoretical lenses, a number of studies have leaned on theoretical concepts derived from institutional theory more broadly. Such studies while emphasizing the unique theoretical offering of institutional logics perspective suggests the synergy between institutional theory more broadly and the logics perspective. Methodologically, most prior studies have been by way of qualitative case studies, which is understandable given the sociological origin of the institutional logic perspective. In terms of the research settings, the papers under review cover a diverse arena including the firm level, industry level and state-owned entities, non-profit organizations and hybrid organizations mainly from developed economies.

While acknowledging prior research attempts, our review identifies gaps in existing research and offers directions for future scholarly inquiry. For instance, within the current body of knowledge, there is limited exploration on how external institutions interplay with internal organizational actors whose interest and proclivities are differently determined because of different logics they have encountered, and how these internal actors strategically respond to external institutions. Therefore, further research is called for on how individual, field and societal level logics influence management control practices, and how internal managers strategically handle those different logics. Such inquiries would be beneficial for practicing managers in organizations as well. From a methodological point of view, we call for more studies using the mixed method, comparative case studies and cross level analysis[5]. However, there is a word of caution to be stated here. For, one may attract criticisms in using the mixed method, given the sociological orientation of the institutional logics perspective, which is more attuned to qualitative research. Besides, moving beyond and integrating the institutional logics perspective with anthropology, social theory and

organizational theory would pave way for further theoretical developments. All in all such future research endeavors would help in capturing the rich and wide encompassing nature of the institutional logics perspective.

Notes

1. "An elaboration with the distinction that a major theoretical leap is achieved with the introduction of additional concepts and theoretical principles" (Berger and Zelditch, 1993, p. 3)
2. While in our paper we have acknowledged the significant body of management control literature inspired by the institutional theory perspective and positioned the paper within this broader knowledge base, we have foregrounded our review on the papers (35) which explicitly draw on the institutional logics perspective.
3. Organizational field refers to "organizations that in the aggregate constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies and other organizations that produce similar services or products" (DiMaggio and Powell, 1983, p. 148).
4. Broad research scope refers to considering the entire control practices of an organization rather than a single aspect of management controls, such as performance management, budgeting or operational controls.
5. Cross-level analysis is an analysis in relation to individual, organizational, field and societal levels. According to Thornton *et al.* (2015), institutions operate at multi-levels.

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Further reading

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Appendix

No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
1	Mineev (2015)	Building of a network and the construction of controls	Describe the social process of building of an inter-organizational network and analyze the control practices implemented by its members	Institutional logics	Qualitative case study and ethnographic approach	Newly established network of supply companies related to a petroleum project in north-west Russia
2	Schäffer <i>et al.</i> (2015)	The role of management control systems in situations of institutional complexity	Investigates in depth how decision-making of different organizational members is shaped by various management control systems (MCSs)	Institutional complexity	Case study: interviews and field notes	Medium-sized family-oriented German corporation
3	Ahrens and Khalifa (2015)	The impact of regulation on management control compliance as a strategic response to institutional logics of university accreditation	Understand impact of regulations on management control practices	Institutional logics	Participant observations and document review	Three universities
4	Johansen <i>et al.</i> (2015)	An insider view of the hybrid organization: how managers respond to challenges of efficiency, legitimacy and meaning	Examine how managers perceive and manage meetings between different institutional logics	Scott's three institutional pillars and institutional logics	Focus group interviews	Three hybrid organizations; savings bank, municipality and a hospital

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No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
5	Järvinen (2016)	Role of management accounting in applying new institutional logics	Explore the adoption of management accounting and control systems in the non-profit sector	Institutional logics and institutional work	Comparative interpretative study: interviews, observations and archival data	Two Finnish non-profit health-care institutions
6	Jazayeri <i>et al.</i> (2011)	Convergence versus divergence of performance measurement systems: lessons from spatial variations	Report on two institutional change scenarios of performance measurement (PM) systems, namely, subversion and integration	Institutional logics	Case study	Two manufacturing companies: UK and Sri Lanka
7	Hyvönen <i>et al.</i> (2009)	Institutional logics, ICT and stability of management accounting	Explain how management accounting system change with external pressures (New public management reforms)	Institutional theory and logics	Case study	Finnish defense force
8	Battilana and Dorado (2010)	Building sustainable hybrid organizations: the case of commercial microfinance organizations	Elaborate how new type of hybrid organizations can develop and maintain their hybrid nature in handling the tension between logics they combine	Institutional theory	Comparative case study	Two commercial microfinance organization

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No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
9	Järvenpää and Lämsiluoto (2016)	Collective identity, institutional logic and environmental management accounting change	Examine how collective identity and institutional logic affect the design and use of an environmental performance measurement system	Institutional logics and collective identity	Qualitative case study: semi-structured interviews, observations and document analysis	Company in food industry
10	Ancelin-Bourguignon <i>et al.</i> (2012)	Subjectivities and micro-processes of change in accounting practices: a case study	Examine how individual subjectivity influence on institutionalization of new accounting practices	Hasselbladh and Kalimikos' framework and institutional logics	Interviews and non-participant observations	French public sector firm
11	Rautiainen and Järvenpää (2012)	Institutional logics and responses to performance measurement systems	Analyze organizational responses to performance management systems (PMS)	Institutional logics and Oliver (1991)	Case study	Public sector organizations in two Finnish cities
12	Leotta and Ruggeri (2015)	Changes in performance measurement and evaluation systems as institutional processes: The case of an Italian-teaching hospital	Examine performance measurement and evaluation system as institutional process	Logics, neo-institutional theory, OIE and Busco framework	Longitudinal case study	Hospital

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No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
13	Lambert and Spornem (2011)	Roles, authority and involvement of the management accounting function: a multiple case-study perspective	Explore the changing role of management accountant	Logics	Interviews	Seventy-three multinational companies
14	Bruton <i>et al.</i> (2015)	State-owned enterprises around the world as hybrid organizations	Examine macro and micro level institutional influences on state-owned enterprises	Institutional logics and agency theory	Qualitative case study	Twenty-three companies in different countries
15	Dambrin <i>et al.</i> (2007)	Control and change – analyzing the process of institutionalization	Explore how change in the institutional logics of an organizational field diffuse through the management control systems in a firm	Logics and neo-institutional theory	Single case study	Pharmaceutical lab
16	Kilfoyle and Richardson (2015)	Governance and control in networks: a case study of the Universal Postal Union	Analyzes the governance and control mechanisms in the Universal Postal Union (UPU)	Institutional entrepreneurship and logics	Archival data and interviews	Universal Postal Union
17	Makrygiannakis and Jack (2016)	Understanding management accounting change using strong structuration frameworks	Analyze management accounting change through structuration-based framework		Field study: interviews	Greek hospitality organizations

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No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
18	Currie <i>et al.</i> (2015)	How hybrid managers act as "canny customers" to accelerate policy reform	Analyze role transition for professionals moving toward hybrid managerial roles	structuration theory and logics	Documentary data and interviews	Senior tax inspectors co-opted into hybrid managerial roles in Greek hospitality industry Finnish hospitals
19	Kantola and Järvinen (2012)	Analyzing the institutional logic of late DRG adopters	Investigates how institutional logics that are prevalent in an organizational field influence change in management accounting	Institutional logics	Interviews and archival data	
20	Englund <i>et al.</i> (2013)	Accounting ambiguity and structural change	Present an emergent model showing the change potential inherent in the mirroring of time-space bound metrics and numbers in management accounting (MA) and other cognitive frames	Institutional logics	Observation-based qualitative field study	A large manufacturing company
21	Pettersen (2015)	Budgetary control of hospitals - ritual rhetoric and rationalized myths?	Examine the decoupling between budgets as plans and accounting information as outcomes of action	Social structures, institutional logics, rules routines and cognitive frames	Survey and interviews	Norwegian hospitals

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No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
22	Cruz et al. (2009)	Institutionalization and practice variation in the management control of a global/local setting	Examine how, and why the joint venture's managers introduced variations in the management control (MC) rules and procedures in institutionalizing the global MC system imposed by the global corporation	Neo-institutional theory and logics	Qualitative case study	Joint venture organization in hospitality sector
23	Pettersen (2015)	From metrics to knowledge? Quality assessment in higher education	Addresses how performance measures are transformed by professional knowledge into metrics derived from managerial logics and how this transformation enables multiple logics	NIS, logics and Orton and Weick's perspective on loose coupling	Qualitative methods: fieldwork, including observations, interviews	Higher education institutions in Sweden and Norway
24	Herremans and Nazari (2016)	Sustainability reporting driving forces and management control systems	Explain how seemingly similar external pressures elicited diverse sustainability reporting control systems and processes	Institutional logics	Case study	Companies and stakeholders in the petroleum industry (including oil and gas) operating in Canada

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No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
25	Singh and Jayanti (2013)	When institutional work backfires: Organizational control of professional work in the pharmaceutical industry	Understanding how for profit organizations structure institutional work to managerially control the work of professionals they employ	Neo-institutional theory and logics	Case study	Pharmaceutical industry
26	Nyland and Pettersen (2015)	Hybrid controls and accountabilities in public sector management: three case studies in a reforming hospital sector	Discuss why public sector reforms hybridize during implementation processes, consequences on accountability relations and practitioners' and policymakers' reactions to these changes	Neo-institutional theory, role theory and logics	Longitudinal case studies; interviews and document studies	Norwegian hospital sector
27	Fossestøl <i>et al.</i> (2015)	Managing institutional complexity in public sector reform: hybridization in front-line service organizations	Elaborate how public front-line service organizations respond to contradictory demands for institutional reform and the types of hybridization	Accountability, neo-institutional theory and logics	Interviews, observations and document analysis	Public front-line service organizations
28	Berg and Byrkjeflot (2014)	Management in hospitals: A career track and a career trap: A comparison of physicians and nurses in Norway	Examine how management roles in hospitals are changing	Institutional logics	Case study	Hospital sector in Norway

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No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
29	Carlsson-Wall <i>et al.</i> (2016)	Performance measurement systems and the enactment of different institutional logics: Insights from a football organization	Role of performance measurement systems (PMS) in managing the co-existence of different institutional logics in a football organization	Organizational institutionalism; within that discuss the logics	Case study	Football organization in Sweden
30	Amans <i>et al.</i> (2015)	Budgeting in institutional complexity: The case of performing arts organizations	Account for the heterogeneous uses of the budget within different organizations which experience institutional complexity	Institutional logics	Case study	French not-for-profit theatres
31	Kasumba (2013)	A new dimension to neo-institutional sociology: some evidence from the adoption of new budgetary practices in local governments in Uganda	Investigate the extent to which institutional pressures can be deployed to reinforce each other in creating and sustaining new budgetary practices	Institutional complexity	Qualitative case study	Local governments in Uganda

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No.	Author/s and year	Title of the paper	Purpose	Theoretical lens	Research design	Research context
32	Alexius and Örnberg (2015)	Mission(s) impossible? Configuring values in the governance of state-owned enterprises	Contribute to theory of hybrid organizations, with particular regard to state-owned enterprises (SOEs) and their ability to contribute to sustaining value pluralism in the public sector (performance measurement)	Neo-institutional theory and logics	Qualitative case study	State-owned enterprise in Sweden
33	Ezzamel <i>et al.</i> (2012)	The logics of budgeting: theorization and practice variation in the educational field	Examines the introduction of budgeting practices in situations where institutional logics are competing	Institutional logics	Longitudinal study: interviews	Schools in north-west of England
34	Wagner <i>et al.</i> (2011)	Accounting logics, reconfiguration of ERP systems and the emergence of new accounting practices: A sociomaterial perspective	Elaborate how software-based accounting tools might work effectively within an organization	Practice theory perspective and logics	Longitudinal case study	University
35	Moll and Hoque (2011)	Budgeting for legitimacy: The case of an Australian university	Understand how accounting is involved in processes of legitimation	Institutional demands and legitimization; within that logics are discussed	Case study	University

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