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Book Review

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Introduction

Performance Management and Control (PMC), a core component of Management Accounting, has been much researched in recent times. Academics as well as practitioners from diverse organisational, industrial and country contexts have researched this topic and published their findings in a wide range of books and journals. However, owing to the varied nature of their work, the literature on performance management and control is diffuse and lacks focus. This has resulted in a suboptimal use of their findings by users, viz., novices to research, researchers and practitioners. *The Routledge Companion to Performance Management and Control*, a collection of papers edited by Elaine Harris, addresses this issue by presenting an organised body of knowledge on PMC for easy reference by different users.

Structure and Authors

This book consists of 28 papers on different aspects of PMC organised under four themes: Part 1: Design of performance management and control systems (PMCSs) (eight papers); Part II: People and management control (seven papers); Part III: Performance management and control in different contexts (nine papers), and Part IV: PMC research: the lens through which PMC may be viewed (four papers). The first three parts deal with the how, who and where aspects of PMC and the fourth part with knowledge pertaining to PMC. Thus, the book provides a holistic view of the subject, taking the reader on a guided tour of the path to PMC.

The contributions include conceptual and perspective papers, literature reviews, empirical studies, and guidelines based on the experiences of developed countries and, to a lesser extent, of less developed countries. It undoubtedly broadens the knowledge of readers on this subject of topical interest. The papers in each section are arranged so as to ensure continuity and a smooth flow. Further, the lucid language of the papers, informative figures and diagrams and the attractive print enhances the readability of the book.

More than 50 authors have contributed to this edited work, comprising renowned scholars in the field of management accounting, practitioners turned academics as well as practitioners. It is also heartening to note that several of the authors are either Sri Lankans or of Sri Lankan origin.

Contents in Brief

Chapter 1 provides an excellent overview of the book by its editor, Elaine Harris. She defines performance management as “the design and implementation of management control systems in organisations to ensure that the strategic objectives are met” and management control as “all the systems and procedures established and action taken by managers to ensure that the organisational goals are met’ (p. 1). The chapter carries a brief but rich summary of each chapter, which serves as a useful roadmap for the reader.

Part I: Design of Performance Management and Control Systems (PMS)

The introductory chapter gives an account of management control theory followed by chapters which deal with designing organisational systems and performance measurement. The last two chapters discuss the role of information technology in designing PMS.

Dugdale (Chapter 2) lays a sound theoretical foundation for management control theory, as used in the book. It presents strategic management control models of the late 20th century, economic value added, and Simon's levers of control (1995) and the Ferreira and Otley framework (2009) as recent developments in the area. This is followed by their application in three organisations from the manufacturing, insurance and banking sectors.

The next two chapters are on designing organisational systems for use in PMC. In the first chapter (i.e. Chapter 3), Adler details the success of 'amoeba management' which is based on the breaking of the organisation (a Japanese manufacturing company) down to very small operational units resulting in a radically centralised organisation structure. This is followed by a comprehensive literature review by Wouters and Stadtherr (Chapter 4) on setting up of cost management systems in firms where a 'product modularity strategy' is used.

Measurement in relation to PMC is the theme of the next two chapters. In Chapter 5, Rouse and Harrison discuss aspects that need to be considered when composite measures are used to combine multiple measures of performance into indices for internal or external benchmarking purposes. This is followed by Warren and Brickman (Chapter 6) who continue the theme of industry benchmarking by considering the external influences on metrics used in PMC systems in regulated industries, drawing five cases from the financial services and utilities sectors.

The last two chapters deal with the impact of information technology on PMC, an area of growing interest among researchers. In Chapter 7, Quinn and Strauss discuss, in particular, the growing use of cloud technology in organisations and society. This is followed by an enquiry into 'big data analytics', the newest wave of management accounting, in Chapter 8. Therein, Alahakoon and Wijenayake, discuss the management challenges of working with and making best use of 'big data'. The chapter concludes with a list of current research in big data and data analytics which is of great benefit to potential researchers in this field.

Part II: People and Management Control

The chapters in this section examine the changing roles of the financial professional, strategic planner and the chief risk officer in PMC. It also contains a review of the literature on behavioural causes and consequences of PMC. The impact of 'knowledge workers' in managing PMS follows next. It concludes with an account of human behaviour related to performance evaluation and rewards.

Nevries and Payne (Chapter 9) give an overview of the changing role of the financial professional in PMC based on a personnel profile and a relational perspective. It contains a typical career path allowing for country-specific differences. In contrast, Harris and Ellul (Chapter 10), using a case study of UK higher education, discuss how a strategic planner may meet challenges of managing 'big data' for PMC. This connects with Chapter 8, and thus, both chapters are best read in succession. Next, Mikes and Zhivitskaya (Chapter 11) examine the role of yet another professional, the chief risk officer, in enhancing management control in organisations. While taking the UK financial services industry as their empirical site, they note the need for more research in the area.

Mai and Hoque (Chapter 12) present an extensive literature review on behavioural causes and consequences arising from PMS. While tracing the significant work from 1992 to 2015 the literature review identifies knowledge gaps that need to be addressed in future research. The authors also warn of potential pitfalls encountered in qualitative research related to PMS.

In contrast with Chapters 9-11, Carter (Chapter 13) discusses the key challenges that 'knowledge workers' bring to management accounting. This is illustrated with the help of two cases, one from higher education management and the other, a professional law and accountancy firm in UK. The findings are of relevance in the current context where knowledge workers are playing an increasingly important role in organisations.

Next, Fitzgerald, Brown, Herbert, King, and McCaulay (Chapter 14), taking the UK Network Railway as their empirical site, narrate how compliance, cycle time, customer service, and cash (4 Cs) constitute its PMC model. It 'translates the company's strategy into ideas that can be assimilated and applied at all levels of the organisation. Further, they explain how interactive controls and value and belief systems are manifested in PMC at Network Railway.

Chapter 14, the concluding chapter (Marsh), looks into human behaviour related to performance evaluation and rewards. Through the Cathy case (the first-line manager with knowledge workers as subordinates), the author argues that performance appraisal systems based on traditional performance ratings and performance-related payments may not produce the desired results. He recommends instead a policy of engagement and customer-focused 'dashboard' for better results.

Part III: PMC in Different Contexts

This section consists of examples of how PMC is practiced in a wide array of organisational and industrial settings from developed and less-developed countries. (See Table 1 for an introduction to the chapters.)

Table 1: Performance Management and Control in Different Contexts

Authors	Nature of the paper	Empirical location
Alawattage, Wickramasinghe, and Uddin (Chapter 16)	A journey through literature on management control practices viewed from a critical accounting perspective	A collection of less-developed countries
Mancini, Argyropoulou, Argyropoulou (Chapter 17)	A review of performance management frameworks in use in supply chain management based papers (since 2010)	Developed and less-developed countries
Adler, Stringer, Shantapriyan, and Birch. (Chapter 18)	Case study of a low cost airline that follows a hybrid strategy of cost leadership and differentiation	Air Asia, Malaysia
Gooneratne and Hoque (Chapter 19)	A comparative analysis of control systems in a public and private bank	Sri Lanka
Jarvis (Chapter 20)	Performance management systems in small and medium sized entities (EU definition), based on two recent papers	-
Mattimoe and Tivnan (Chapter 21)	Literature review on performance management and control in the hospitality industry together with empirical evidence from a small scale survey	Ireland
Chenhall, Hall, and Smith (Chapter 22)	A comparative analysis of performance management systems in two non-governmental organisations (NGOs) using two case studies	Australia and the UK
Heath, Radcliffe, and Wankhade. (Chapter 23)	Case study of performance management system in a social welfare-oriented (public sector) organisation	English ambulance service

(Contd.)

Authors	Nature of the paper	Empirical location
Seneviratne and Hoque (Chapter 24)	A structured literature review of research on management control systems in public sector universities (2000-2015) covering 18 journals	Developed and less-developed countries

Part IV: PMC Research: The Lens through which PMC may be Viewed

This section discusses selected methodical issues encountered in PMC research. They include use of theoretical frameworks, interpretation of data and other problems encountered in qualitative research. It concludes with some useful tips for novices in research.

Seal (Chapter 25) makes a case for adopting an Actor Reality Perspective (ARP) [in place of Actor Network Theory (ANT)] in response to pleas for greater practical orientation in business research. The proposed ARP framework, comprising facts, values, logics and communication, recognises organisational members as knowledgeable and capable of providing a pragmatic narrative. Thereby, it adds a different form of constructivism to qualitative research.

De Loo and Lowe (Chapter 26) explain that interpretive researchers may view the outcomes of interviews quite differently. Based on two recent research papers, they argue that researchers may interpret their information as objective (neutral) or subjective (explicitly interpretive). Broadbent's investigation (Chapter 27) into other problems associated with qualitative research adopt a relational approach. This, he states, would have a positive impact on the practice, a departure going beyond theoretical excellence.

In the concluding chapter (Chapter 28) Berry and Harris propose a scheme of 13 points for researchers using a qualitative paradigm. It also provides guidance for doctoral studies and concludes with seminal work in PMC presented as an appendix.

The Contribution

The Routledge Companion to Performance Management and Control is a positive contribution on a number of fronts.

Primarily, the book has presented a vast quantum of PMC - related knowledge in a single location. This centralised knowledge base, organised under selected themes and topics, can be considered a treasure trove for researchers and practitioners. In the process of achieving the main goal it has resulted in other benefits as outlined below:

- i. The last few decades have witnessed a shift of management accounting-related research from the mainstream (quantitative) to the alternative (qualitative), the world over. This book, replete with a large number of authoritative papers and a myriad references, contributes to strengthening the trend.
- ii. The contributions and references that involve Sri Lankan empirical settings (e.g. Chapter 16 and 19) can be used to advantage in undergraduate and postgraduate studies. Further, they will encourage local researchers to embark on further research in the area.
- iii. The book will be of value for those who wish to commence doctoral studies in the area of PMC (Chapter 28). It is rich with previous literature on the subject area as well as guidance for researchers.
- iv. Practitioners will also benefit from the book. Some of the papers will have direct relevance to managing organisations (e.g. Chapters 7 and 8; Chapter 9 and 12, among others), and thus be of immense value to them.

While the book provides a holistic treatment of the subject of PMC, there is one aspect that merits consideration in future editions of the publication. It is noted that sufficient attention has not been given to experiences from less developed countries in the leading articles. For example, reference to manifestation and problems associated with cloud technologies (Chapter 7), use of 'big data' (Chapter 8) and the role of the finance professional (Chapter 9) from the perspective of a less developed country would have added value to the relevant chapters. This is relevant in the context of large investments in the propagation of management accounting, and the increasing student population engaged in the study of the subject.

Conclusion

The Routledge Companion to Performance Management and Control is a compendium of academic and practical significance. Though voluminous, it will rest lightly on users as a useful handbook to be referred to now and again. The editors and paper contributors deserve praise for accomplishing a gigantic project of this nature with such depth and finesse.

This is the eighth in the Routledge Companion Series covering Contemporary Brand Management, Banking Regulation and Reform to Well-being at Work. It is hoped that the publishers will produce more publications in other areas of Management Accounting in the near future.

About the Editor

Elaine Harris (Editor) is Professor of Accounting and Management at the University of Roehampton, London, and Chair of the Management Control Association, UK.