

Implementation Research of a New Management Accounting System : Development of the Balanced Scorecard Concept

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Abstract

The past 15 years have seen a revolution in management accounting theory and practice. The balanced scorecard has developed through an innovational research method called innovation action research. The number of organizations implementing such system has gradually increased. For example, IMA (Institute of Management Accountants) has conducted a survey of performance measurement and control every year since 1997. In the survey result of 2001 on 1,300 Chief Financial Officers and Controllers, 40% of respondents have implemented the balanced scorecard.

What is innovation action research? The difference between traditional field research and action research is whether or not scholars intervene in the research site. Innovation action research is a particular form of action research in which scholars develop and refine a theory of new management practice. Kaplan (1998, p. 90.) stated that through active engagement, scholars learn not only about the idea itself and how to improve it, but also about the conditions for successful implementation. Indeed, it is said that the concept of the balanced scorecard developed from the original measurement system to a strategic management system.

The objective in this paper is to document the implementation research process of the balanced scorecard focusing on the intellectual history of the balanced scorecard concept.