

The construction of cognitive accounting models

by

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Abstract

Earlier studies (e. g. Busch 1997; Hansen 2005) have focused on how cognitive models are important for managers and other users of accounting. In a complex and dynamic world these models are helpful for sorting out which factors are important and which are not. In the organizational life the models could be important, both for governing existing activities, as well as for guiding the identification and evaluation of new alternatives. These models are based on experienced (Gavetti and Levinthal 2000) and could be seen as a reservoir of accumulated knowledge (Nonaka 1994; Latour 1987).

Although there are studies which indicate the importance of the cognitive models, there are, to my knowledge, no studies with explicit focus on the processes in which the models are constructed and reconstructed. This is therefore the aim of my study. The construction process could be seen as a continuous process of knowledge creation (Nonaka 1994) and/or sensemaking (Weick 1995; 2001). An important point is that the cognitive models are not static; instead they are developed and modified over time through discussions and reflections.

The theoretical frame which I use to analyze this construction process is inspired by the literature about organizational sensemaking (Weick 1995; 2001) and knowledge creation (e.g. Nonaka 1994).

The study is based on a longitudinal case study in two companies. It focuses on how the top managers construct their cognitive models. Since this to a large extent is a social process, it has also been necessary to collect information from subordinates and from settings where the top managers interact with others. The study is carried out during a span of three and a half years.