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Department of Accounting

Framing Games for Hardening Accounting Information

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Abstract

This study provides theory and field evidence on the social process of hardening soft accounting information to make it hard and thus persuasive. Accounting information is sometimes soft, that is, it can be subjective with ambiguous and/or uncertain quality. For example, cost management information (e.g., activity-based costing, benchmarking, special studies, target costing, value engineering) is often constructed using subjective information from interviews and surveys that may contain unintentional errors and intentional distortions, possibly to avoid revealing embarrassing inefficiencies or to resist painful cost management actions. Social psychology theory and a longitudinal field study are used to investigate whether the players who participate in hardening accounting information and the comparability of this information are mechanisms for framing and thereby influencing the emergence of “hardening games.” Hardening games include several possibilities for making soft cost management information that is of ambiguous and/or uncertain quality into hard information that people agree is persuasive.