

Lost in Translation: Institutionalized Logic and the Problematization of Accounting for Injury

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Abstract

Purpose: This paper seeks to extend the work of Robson (1991; 1992) by exploring the implications for accounting of the way in which subsets of non-financial accounting numbers are constructed. In particular, the study seeks to investigate whether the different procedures for organising subsets of the same set of accounting data might result in different representations of (the same) reality.

Approach: The empirical analysis focuses on the procedures by which organisations translate work-related injury and illness outcomes to accounting numbers. First, existing procedures are problematized within their institutional context. This process highlights complementary elements of sociology of translation and neo-institutional theory that together explain how institutional factors might operate to constrain the problematizing process. An empirical analysis of worker's compensation data covering a ten year period is then conducted to calculate and contrast performance using two competing logics of accounting for injury.

Findings: The findings demonstrate that different ways of organising a set of data can lead to different representations of reality. Furthermore, they suggest the assumptions underpinning the evaluation of work-related injury and illness performance fail to recognise the financial or non-financial complexity of non-fatal injury and illness outcomes. The evidence further suggests taken-for-granted assumptions may be preventing adequate problematization of these assumptions and therefore of the accounting logic that guides procedures for organising the translation of work-related injury and illness to accounting numbers.

Practical implications: The findings have significant implications, in particular, for the evolving development of corporate social performance evaluation and reporting. First, they suggest that the extent to which existing Lost Time Injury accounting measures can inform the work health and safety decisions of managers and external stakeholders is limited. Second, in light of the limitations of existing data, the study raises serious concerns about the increasingly institutionalised global template for work health and safety performance reporting in external corporate reports. Most importantly, the findings demonstrate an urgent need for change in the accounting logic underpinning work health and safety performance evaluation – to better inform users about the financial and non-financial impact of health and safety control system failures. In the absence of

change, continued reliance on existing measures, such as Lost Time Injury Frequency Rates (LTIFRs), to guide health and safety decisions may ultimately prove fatal.

Keywords: Accounting inscription, performance, LTIFR, external reporting

Paper Type: Research paper