Epilogue

All seven wonders of the world are physical objects we could see or touch. Humanity has always measured the accomplishments of its civilizations by “hardware,” from the Great Wall of China, the Pyramids, and the Taj Mahal to Apollo 13. Yet, the world is not ruled by brilliant engineers. The greatest accomplishment of man is organization that made the Great Wall and Apollo 13 possible. Although stories of bravery of Alexander the Great are legend, arguably what made him so great was his organizational skill, not his skill with the horse or the sword.

Organization design and operation are the unappreciated “software” of human civilization. Getting hundreds of individuals, who are free to choose and pursue their own goals, to build a jet airliner would be virtually impossible without this software, in spite of their engineering skills. Accounting and control is a key element in how organizations are put together, operated, maintained, transformed, and dissolved. Returning to the computer metaphor, if resources and humans are the hardware of organizations, accounting and control are their operating software. Software connects various parts of the computer in their proper relationship, and makes it possible for it to function. Accounting and control services a similar function in organizations.

Thinking about organizations as sets of contracts among people makes it easier to see the enabling function of accounting and control. Because organizations come in hundreds of sizes and forms, so do accounting and control systems. A broad survey of their varieties and extent is a good starting point to build a theory of accounting and control.