

MANAGERIAL ACCOUNTING – A SYSTEMATIC REVIEW OF SPECIALTY LITERATURE

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Abstract: The literature outlines an evolutionary conceptual framework of managerial accounting, based both on writings and historical documentary attestations, and on the documents of entities considered pioneers in the application and development of management accounting today. The main objective of the scientific approach is to review the literature on the notion of managerial accounting using a tool for systematic review of it, in order to identify and summarize the most relevant research and directions on the studied topic.

Key words: managerial accounting, systematic review, bibliometric analysis

JEL Codes: M21, M49

Introduction

In order to comply with the information needs of managers, given the instability of the economic environment, the information system of organizations must be characterized by flexibility, agility, reliability, and therefore performance. Accounting in general is an important source of information and managerial accounting in particular.

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The decision-making process is present at all levels of the entity's hierarchical structure and covers both the short-term and the long-term horizon. The decisions are the basis for the fulfillment of the plans, and the more the process implies the existence of several decisions, the more it is necessary to carry out financial analyzes in order to obtain the best results.

Research methodology

The research is a methodical investigation process aimed at bringing a new contribution of knowledge in the researched field. Scientific research can be defined as a process of expanding knowledge through careful and objective observation, investigation and experimentation, with the aim of discovering new theories, visions, facts or interpreting new information (Groșanu, 2010).

In the research activity there are two main directions of research: theoretical and empirical. An imperative aspect for conducting research that generates added value is the study of the literature in order to deepen existing theories, but also to find out the perspectives and directions of interest for research in the field (Nedelcu, 2017). Within any research process, the study of the literature creates a consolidated basis at a theoretical level, in order to build ideas, hypotheses and to substantiate research results.

According to several specialists (Chelcea, 2007, Groșanu 2010, Topor, 2011), the research activity can be divided into four parts: the first involves the bibliographic study, the second part refers to the formulation of ideas and the development of theories, the third is represented by the testing of theories, and the fourth part involves the formulation of conclusions and the integration of notions.

Our scientific approach is based on a descriptive and explanatory approach, in order to formulate conclusions based on the synthesis of the literature. Therefore, we used a series of methodological tools specific to the issue: collecting information based on the study of the literature, systematic review and bibliometric analysis, observation, documentation and analysis of data, information processing and interpretation of results. We also used several web and software tools, such as the Web of Science database for data collection, VOSviewer for bibliometric analysis, the Microsoft Office for writing and interpreting results.

Approaches of managerial accounting in the literature

The literature outlines two periods in the evolution of managerial accounting, according to the International Federation of Accountants (IFAC). The classic period, ending around the '50s, a period in which the emphasis was on recording financial information. According to researchers Epstein and Lee, the period of modern managerial accounting manifested itself between the '50s and '80s, a period in which numerous researches were conducted in the direction of developing its methodological framework in order to provide decision support. IFAC's position on modern managerial accounting is that its activities have focused on planning and control, on management. The elaboration of information to support management, through the use of specific tools, has become the main purpose of managerial accounting.

Regarding our country, the influence of the theoretical and practical framework at European level has led to the development of managerial accounting methodology. Through the work of Professor I., N., Evian (1947) entitled "Industrial Accounting", issues were introduced regarding the procedures for allocating expenses (division procedure, supplementation procedure), as well as indications for drawing up budgets. He

argued that, given the investment and the emergence of competition, it was necessary to reduce costs with the help of budgets, in order to manage rationally.

Today, managerial accounting no longer focuses on analyzing historical data that can no longer be influenced, but uses advanced, forward-looking tools and forecasting systems. The main objective becomes the management of the activity in conditions of efficiency and effectiveness and its role moves from the area of control and reporting to the area of management, influencing decisions and elaboration of strategies. The profile of professionals is changing, from a rigid and technical one to a proactive, creative and flexible one. At the methodological level, some of the innovations in the field of managerial accounting are the methods Activity Based Costing (ABC), Activity Based Management (ABM), Lifecycle costing (LCC), Target Costing (TC), tools such as balanced scorecard (BS).

Managerial accounting aims to provide useful information to managers in order to plan and control activities, as well as to substantiate decisions, according to C., G., Bâtcă-Dumitru et al. (2021). In addition to the authors' opinion, managerial accounting has an essential role in the strategic orientation of the organization.

According to the author G., Shields (2018), managerial accounting combines financial and non-financial information to provide an overview of the activity, in order to take optimal decisions in successful conditions.

In the Anglo-Saxon literature, managerial accounting is defined through the actions of processing, analyzing, interpreting and transmitting information internally to the management of the entity, being useful in budgeting, evaluation and control of the activity, as well as for determining resources.

Moreover, CIMA (Chartered Institute of Management Accountants in the United Kingdom) defines managerial accounting as an integral part of management responsible for identifying, processing and reporting information on: strategy setting, business planning and control, decision making, efficient use of resources.

On the other hand, the French literature emphasizes the objectives of managerial accounting, namely: determining the costs of the various functions of the entity, determining the basis for valuing balance sheet items, determining production costs and selling prices efficiently, and providing information necessary to substantiate internal management decisions.

From the point of view of Professor S., Briciu (2006), managerial accounting is a process of measuring, analyzing, processing and interpreting information in order to plan, evaluate and control the activities of the entity. Moreover, it outlines the conceptual framework of managerial accounting in terms of its specific component elements. Thus, managerial accounting includes elements specific to financial accounting, but especially the elements of management accounting. Another defining component element for managerial accounting is the management control, responsible for ensuring the infrastructure of the information system of the entity necessary to substantiate the decisions. To these elements is added the internal audit, which helps the entity to achieve its objectives through regular evaluations of the processes. Schematically, the elements of the managerial accounting system can be represented as follows:

Figure no. 1.

The elements of the managerial accounting system

Source: Briciu, S., 2006, Contabilitate managerială. Aspecte teoretice și practice, Editura Economică, București, p. 27.

In this context, we formulate the idea that managerial accounting is a complex, efficient and integrated system of the entity that must create the necessary framework for management to understand the phenomena and processes that take place at micro and macroeconomic level, provide the necessary information to substantiate relevant decisions and to predict the effects of these decisions.

In general, in the literature there are convergent opinions regarding the place that the managerial

<p>FINANCIAL ACCOUNTING Financial position and performance through financial statements</p>	<p>MANAGEMENT CONTROL Ensures the flow of information in order to carry out actions in conditions of efficiency and effectiveness and controls the means to achieve the objectives</p>
<p>MANAGEMENT ACCOUNTING Activity measurement system Cost calculation Providing information to substantiate decisions</p>	<p>INTERNAL AUDIT Periodic and systematic evaluations of the processes and of the activity as a whole in order to improve the actions</p>

accounting system holds within the entities. Evolving from a enclosed system, based on the analysis of financial information and calculation of historical costs to a future-oriented system and strategic substantiation, managerial accounting fulfills the role of support function of the organizational management system.

Systematic review and bibliometric analysis of the literature related to the notion of managerial accounting

Continuing our research, we analyzed the international literature, in order to identify the research directions related to the notion of managerial accounting. Thus, using the Web of Science Core Collection database, we built the search protocol: the terms „managerial accounting” or „management accounting” found in the title, abstract or keywords in articles, Web of Science categories Management, Economics, Business and Business Finance, written in English and published between 2010 and 2022. The result was a volume of 12,996 articles published in that time.

Through Figure no. 2 we capture the quantitative evolution of the articles published on the topic of managerial accounting during the last 12 years. Thus, we can observe an upward trend in the concerns of specialists to outline a scientifically grounded theoretical framework, and in 2020 a peak is recorded, respectively 1,848 articles published on the topic of managerial accounting.

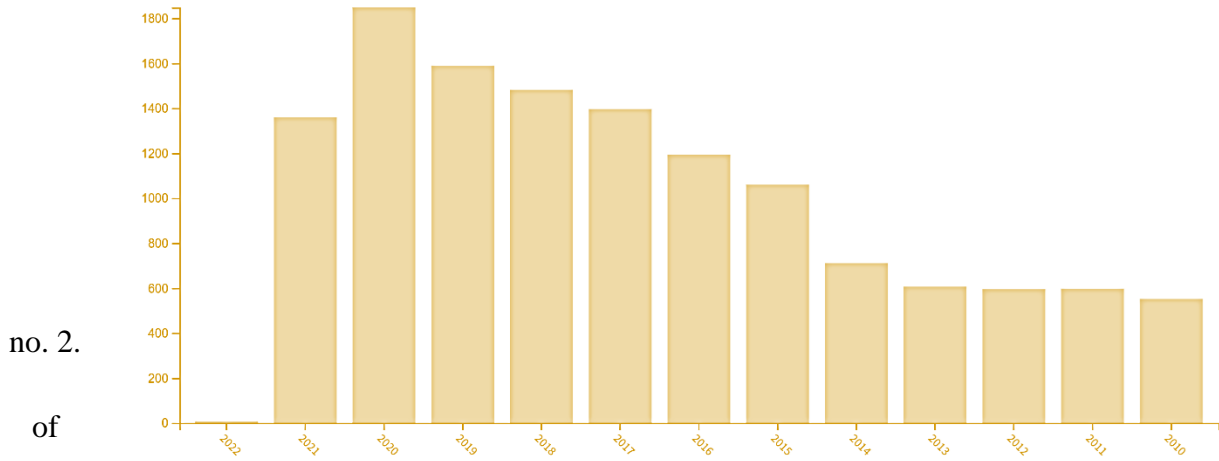


Figure
 The
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 articles

published on the topic of managerial accounting

Source: <https://www-webofscience-com.am.e-nformation.ro/wos/woscc/analyze-results>

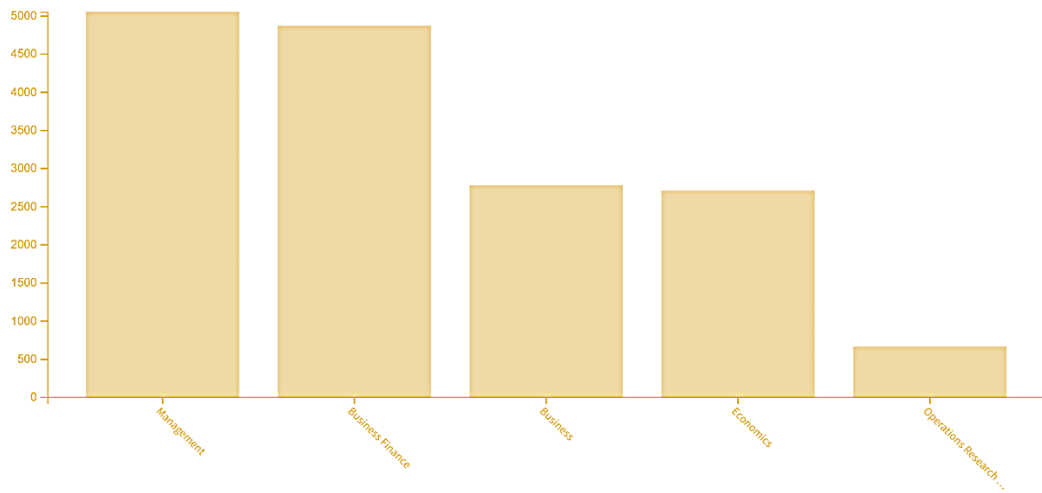


Figure no. 3. Distribution of articles by publication categories

Source: <https://www-webofscience-com.am.e-nformation.ro/wos/woscc/analyze-results>

The main categories according to the Web of Science classification in which the publications are distributed are Management, Business Finance, Business, followed by Economics and Operations Research Management Finance. In Figure no. 3 we capture these 5 main categories of Web of Science. As an observation, we can say that the distribution of articles in these categories confirms the opinion that managerial accounting is a supporting function for the management of entities.

If we analyze the articles in relation to the countries in which they were published, the largest number of scientific articles on the subject belongs to the United States, 3,409 papers published during the analyzed period. The second ranked country is England, with 1,694 articles published, followed by Australia with 1,133 publications. In Figure no. 4 we present the top 10 countries with articles published on research. Romania ranks 48th, with a number of 100 articles published in Web of Science.

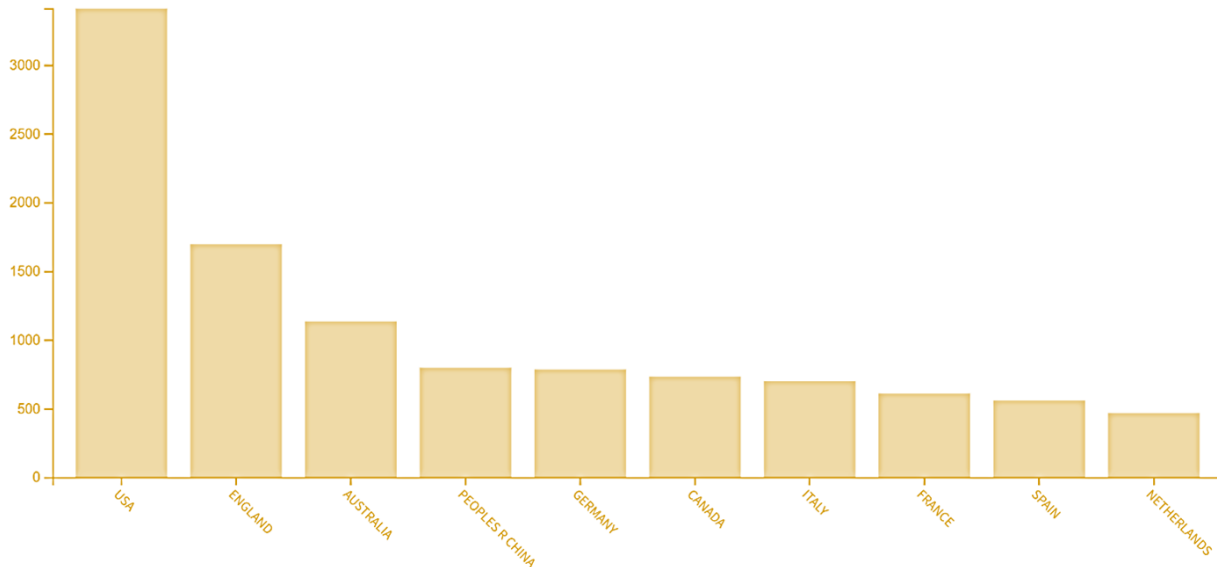


Figure no. 4. Distribution of scientific articles in relation to the country of publication
 Source: <https://www-webofscience-com.am.e-nformation.ro/wos/woscc/analyze-results>

To perform the bibliometric analysis of the literature in co-occurrence with the concept of managerial accounting, we used the software program VOSviewer. Thus, based on the 12,996 articles selected using the aforementioned protocol, we generated the network of key terms. In the first step, 174,678 terms were selected, of which 439 met the trashhold of at least 130 frequencies, and 263 (60%) were selected as the most representative based on the relevance score, using the binary method. At a later step we excluded 85 repetitive terms or country names.

With the help of Figure no. 5 we observe the network of key terms generated in correlation with managerial accounting, grouped into 3 distinct categories, represented by colors. The complexity of each group reflects the degree of correlation with the research topic.

The first category of terms is the most representative for the studied concept, it includes 80 key terms and it is highlighted by the color red. Concepts such as account, innovative value, development, sustainable development, methodology, indicators, process, resources, efficiency, success, objective are closely correlated with managerial accounting in published studies.

The second category is highlighted in the figure by the color green and includes 72 related terms, such as: evidence, effect, earnings management, profitability, financial performance, earnings quality, growth, auditor, corporate governance and corporate social responsibility, behavior, investment, capital, etc.

We can observe the multiple valences in the context of managerial accounting and the association of this notion with audit and corporate governance, thus outlining a complete and complex conceptual framework, with financial and non-financial aspects.

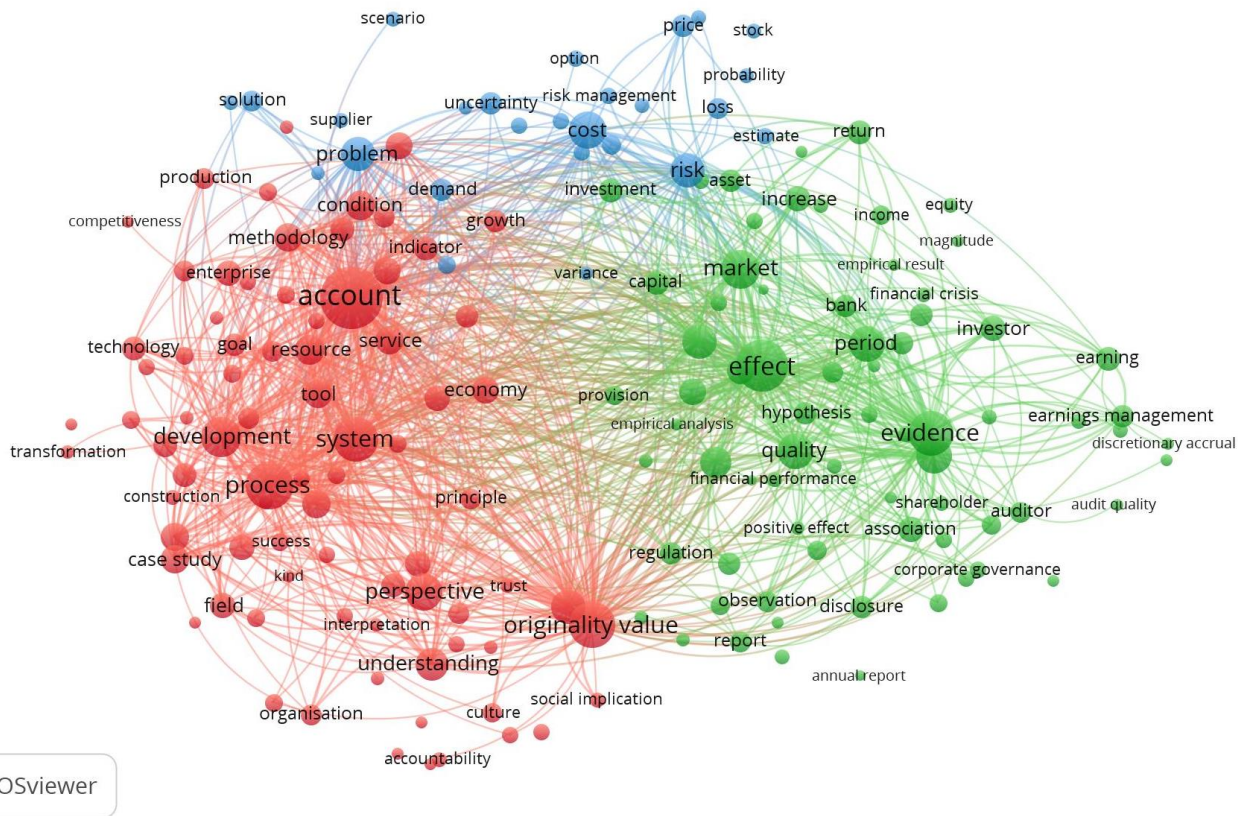


Figure no. 5.
The

network of key terms for managerial accounting
 Source: VOSviewer processing

The last category represented by the color blue includes 26 key terms centered around the notions of risk and risk management, cost, price, probability, problem, solution, estimation, variance, decision making, productivity, etc. Therefore, we capture the elements of management and planning, as well as support in the decision-making process related to the research topic, elements that are found in the literature among the functions and tasks of managerial accounting.

In Figure no. 6 we capture the density of key terms correlated with managerial accounting, as well as their frequency based on the generated co-occurrence network. Of these, the most common correlation terms are account, originality value, financial effect and performance, cost, development, etc.

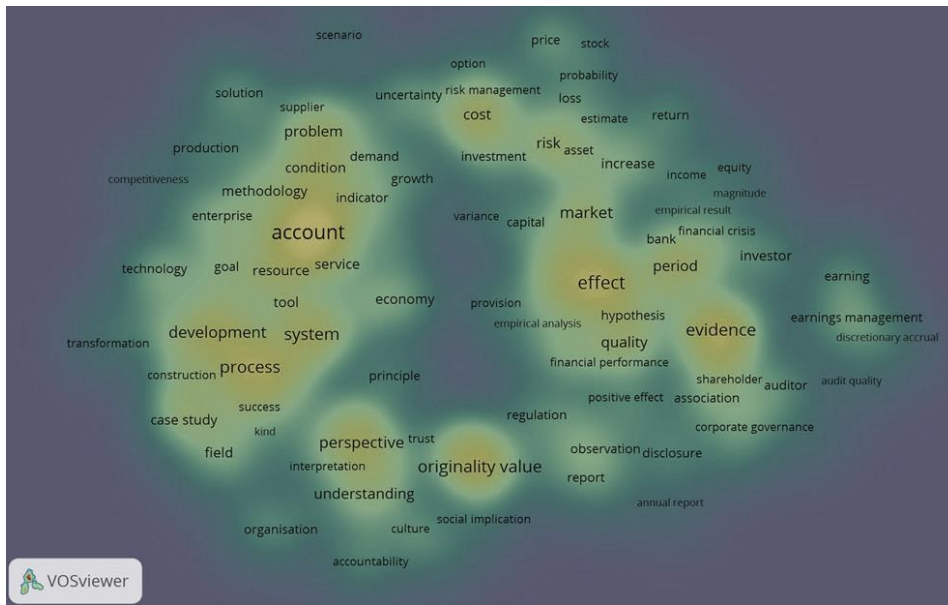


Figure no. 6. Density of key terms
 Source: VOSviewer processing

Based on Figure no. 7 we highlight the intensity with which each group of terms manifests itself in correlation with the research topic.

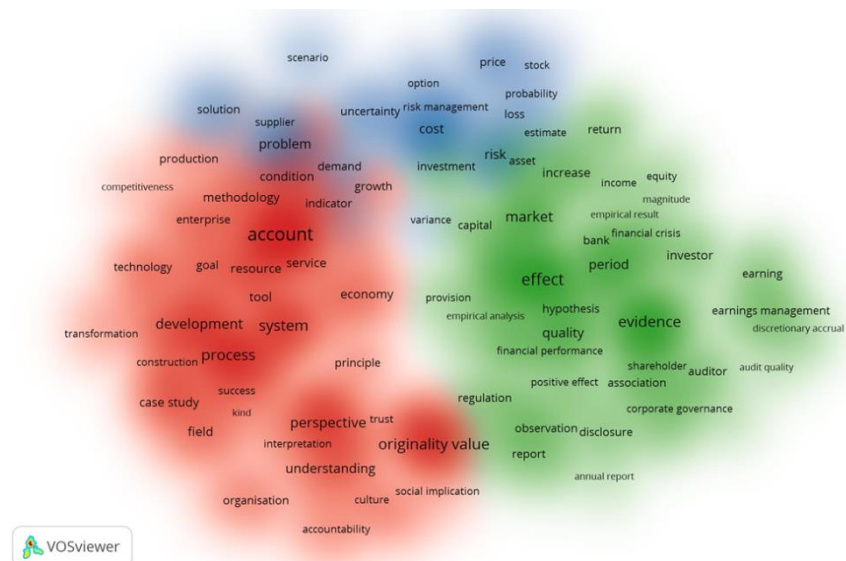


Figure no. 7. The intensity of the categories of key terms
Source: VOSviewer processing

Summarizing the results of the bibliometric analysis of the literature, managerial accounting as an integral part of the managerial process is not an independent system, but develops and adapts continuously to current trends in the economic and social environment and, implicitly, to management information needs. In this context, the importance of managerial accounting increases, by providing current information that was not previously used, by supporting and controlling processes and actions, by actively participating in the implementation of information systems and not just only in these directions.

Conclusions

It is already a certainty that the factor from the external environment that exerts the greatest pressure in the development of the entities is the competitive environment, and in order to carry out successful activities in these conditions, it is necessary to develop strategies. The elaboration and implementation of an efficient strategy is achievable in the conditions of the existence of an optimal information system within the entity. Managerial accounting is the information base that provides support for substantiating strategic management decisions in order to obtain competitive advantages in a competitive environment.

In this sense of strategic orientation, the role of modern managerial accounting in organizational management is multifunctional and central in the management system of the entity.

Therefore, managerial accounting is an integrated component of the entity's administration management, both from a strategic point of view, as mentioned in the previous paragraphs, and from an operational point of view. Operational actions, undertaken in the short term based on the information provided by managerial accounting, are designed in the long term and are convergent, directly or indirectly, with the entity's strategy.

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