

MANAGEMENT ACCOUNTING: A REVIEW OF THEORY, RESEARCH & CURRICULUM



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Management Accounting Lecturer Forum of IAI-KAPd

MANAGEMENT ACCOUNTING: A REVIEW OF THEORY



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INTRODUCTION



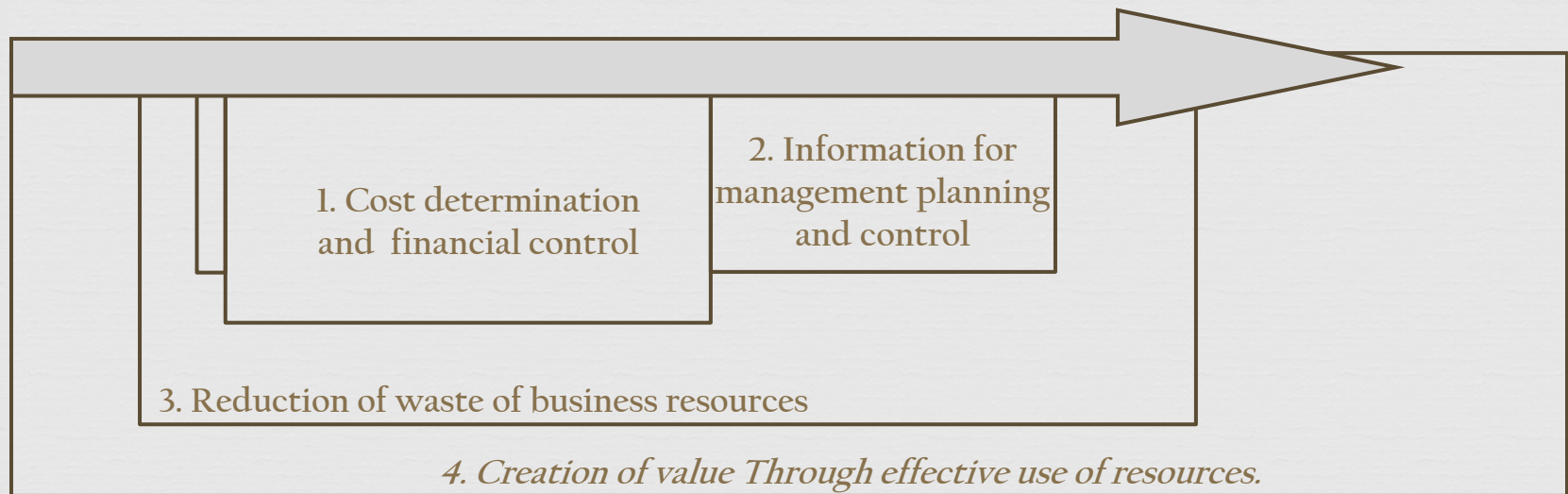
- Management Accounting is concerned with providing information to managers and people inside an organization who direct and control its operations.
- Traditional tools of Managerial Acc such as product costing and budgeting has been updated with current approach. Contemporary topics such as environmental cost management have been added.
- Today, Managerial Accountants serve as internal business consultants, working side-by-side in cross-fuctional teams with managers from all areas of the organization (Hilton, 2005:VIII).
- Why? The world of business is changing rapid & dramatically.
- The dynamic evironment business
- Modern management accounting system that focuses on customer satisfaction

PERSPECTIVES ON THE ORIGIN OF MANAGEMENT ACCOUNTING



- Economic Approach was supported by authors such as Chandler (1977); Kaplan (1984); and Johnson and Kaplan (1987). “Management Accounting practices originated from the private sector to support business operation.”
- Non Economic Approach was supported by authors such as Miller and O’Leary (1987); Hoskin and Macve (1988); and Ezzamel et al. (1990). “Management Accounting practices were originally developed not to support business operations but for disciplinary purposes.”

THE EVOLUTION OF MANAGEMENT ACCOUNTING



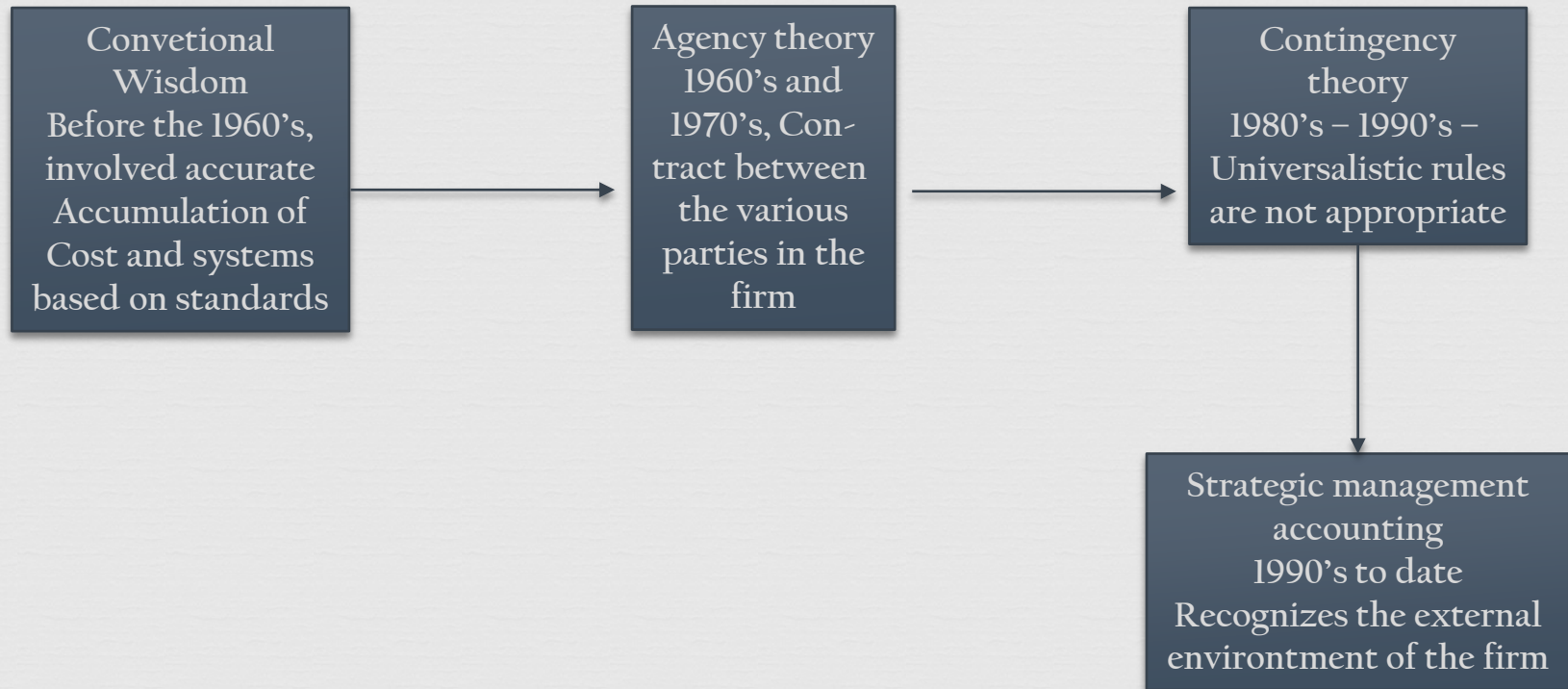
Source : IFAC, 1998:6

THE STAGES OF MANAGEMENT ACCOUNTING HAS EVOLVED (IFAC 1998)



Stage	Year	Focus
1	Prior to 1950	Cost determination and financial control, through the use of budgeting and cost accounting technologies
2	1965	Information for management planning and control
3	1985	Reduction of waste of business resources
4	1995	Creation of value through effective use of resources

MANAGEMENT ACCOUNTING DEVELOPMENT : THEORETICAL FRAMEWORK



Source: Waweru (2010)



- **OLD CONVENTIONAL WISDOM**
- **AGENCY THEORY**
- **CONTIGENCY THEORY**
- **STRATEGIC MANAGEMENT ACCOUNTING**

DEVELOPMENT OF MANAGEMENT & FINANCIAL ACCOUNTING IN INDONESIA



- Development of FA is faster than MA
- FA is a rule driven by FA standards, that to be mandatory guidance of fin. reporting.
- Target: Convergence with IFRS mandatory implemented in 2012.
- The Increasing the demand of FA standards convergence toward IFRS, the Increasing activities to support convergence plan toward IFRS (exp.: seminar, round-table, & IFAC meetings).
- The good MA Development also will support good FA development.

DEVELOPMENT OF MANAGEMENT ACCOUNTING IN INDONESIA



- Since 2000s, Accounting National Convention & Special Congress: “The New Paradigm of Accountant Profession toward the Third Millenniums: Good Governance”.
- The program was conducted to support the 11th The Indonesian Institute of Accountants Congress:” The Professionalisms Establishment of Accountant in the Global Environment Changes”.

ANNUAL REPORT AWARD (ARA)



- In 2002, The Indonesian Institute of Accountants initiated to conduct ARA.
- This activity is held by the collaboration of The Indonesian Institute of Accountants with The Supervisory Capital Market Agency, Ministry of State Owned Enterprises, Indonesian Central Bank, Indonesian Capital Market, Tax Department and The National Committee of Governance Policy.
- The ARA Assessment uses criteria that focus on quality of information of annual report, especially regarding to the transparence and good corporate governance aspects.



- Since then, the role of management accountants in an organization in Indonesia begins to be developed professionally.
- The Indonesian Institute of Accountants- Management Accountants Compartment has conducted many programs to discuss current issues in management accounting & discusses about how the organization setting the profit planning, computing the standard cost and establishing flexible budget to accommodate the dynamic environment of the companies in Indonesia.

CERTIFIED PROFESSIONAL MANAGEMENT ACCOUNTANT (CPMA)



- CPMA is certification or examination of management accountant quality that established by The Indonesian Institute of Accountants- Management Accountants Compartment in 2006.
- This program supports the Indonesian companies to use professional certificate of management accountant to assess quality and competency of accountant management's.
- Unilever is one of Indonesian companies that has used certificate as basic to determine management accountant career.

REGULATIONS OF COMPETENCY CERTIFICATION OF MANAGEMENT ACCOUNTANT



- Act. 13, 2003 regarding employment policy, item 18: implementation of competence examination and certification is conducted by the independence organization based on government regulation.
- Government regulation No. 23, 2004 regarding establishment of the National Board of Professional Certification (*Badan Nasional Sertifikasi Profesi-BNSP*).
- Act. 20, 2003 regarding the National Education System item no 6l.



- Since 2007 The Indonesian Institute of Accountants-Management Accountants Compartment has become the Indonesian Institute of Management Accountants, as the member of The Indonesian Institute of Accountants.
- This association is established by The Indonesian Institute of Accountants based on the regulation No. KEP-72/SK/DPN/AIA/VI/2007, on June 4th, 2007.



- Implementation of CPMA is supported by business practitioners (management and investors), government and academicians with many varieties of activities. Therefore, development of management accounting in Indonesia will be better, both in practice and theory point of views.

CURRENT TOPICS OF MANAGEMENT ACCOUNTING RESEARCH



- Corporate Governance
- Corporate Social Responsibility
- Performance of Management
- Customer Satisfaction
- Capital Structure
- Risk Management
- Target Costing, ect.

CLOSING



- I hope this paper has a good contribution for participant of National Accounting Symposium to know more about the illustration of theory of management accounting.
- Thank you very much.



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∞ Topik dan Metode Penelitian Akuntansi Manajemen

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Akuntansi Manajemen



- **“the process of identifying, measuring, accumulating, analyzing, preparing, interpreting, and communicating information that helps managers fulfill organizational objectives” (Hongren et al., 2002; 6)**



Peran Akuntansi Manajemen (AM)



“ ... guides management action, motivates behavior, and supports and creates the cultural values necessary to achieve an organization’s strategic, tactical, and operating objectives” (Atkinson et al., 2001; 577).



“Market Share” Penelitian AM



	1981–2000 Articles ^b (Pct. ^c)	1981–1990 ^a Articles ^b (Pct. ^c)	1991–2000 ^a Articles ^b (Pct. ^c)
<i>Accounting Organizations and Society (AOS)</i>	254 (39.9)	132 (42.4)	122 (37.5)
<i>Behavioral Research in Accounting (BRIA)</i>	35 (23.5)	6 (37.5)	29 (21.8)
<i>Contemporary Accounting Research (CAR)</i>	45 (12.1)	22 (15.6)	23 (10.0)
<i>Journal of Accounting & Economics (JAE)</i>	38 (10.4)	4 (2.9)	34 (15.1)
<i>Journal of Accounting Literature (JAL)</i>	28 (21.1)	18 (22.5)	10 (18.9)
<i>Journal of Accounting Research (JAR)</i>	70 (13.7)	43 (14.4)	27 (12.7)
<i>Journal of Management Accounting Research (JMAR)</i>	117 (100.0)	21 (100.0)	96 (100.0)
<i>Management Accounting Research (MAR)</i>	197 (100.0)	14 (100.0)	183 (100.0)
<i>Review of Accounting Studies (RAS)</i>	21 (33.3)	–	21 (33.3)
<i>The Accounting Review (TAR)</i>	111 (16.2)	60 (16.9)	51 (15.4)
Total	916 (28.4)	320 (23.3)	596 (32.2)

(Hesford et al., 2007)

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“Journal Share” Penelitian AM



	Articles ^u (Pct. ^u)	Articles ^v (Pct. ^u)	Articles ^w (Pct. ^u)
<i>Accounting Organizations and Society (AOS)</i>	254 (27.8)	132 (41.2)	122 (20.5)
<i>Behavioral Research in Accounting (BRIA)</i>	35 (3.8)	6 (1.9)	29 (4.9)
<i>Contemporary Accounting Research (CAR)</i>	45 (4.9)	22 (6.9)	23 (3.9)
<i>Journal of Accounting & Economics (JAE)</i>	38 (4.1)	4 (1.2)	34 (5.7)
<i>Journal of Accounting Literature (JAL)</i>	28 (3.0)	18 (5.6)	10 (1.7)
<i>Journal of Accounting Research (JAR)</i>	70 (7.6)	43 (13.4)	27 (4.5)
<i>Journal of Management Accounting Research (JMAR)</i>	117 (12.8)	21 (6.6)	96 (16.1)
<i>Management Accounting Research (MAR)</i>	197 (21.5)	14 (4.4)	183 (30.7)
<i>Review of Accounting Studies (RAS)</i>	21 (2.3)	–	21 (3.5)
<i>The Accounting Review (TAR)</i>	111 (12.1)	60 (18.8)	51 (8.6)
Total	916 (100.0)	320 (100.0)	596 (100.0)

(Hesford et al., 2007)

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Topik Penelitian AM



Research topic ^a	1981–2000 Articles (Pct. ^b)	1981–1990 Articles (Pct. ^b)	1991–2000 Articles (Pct. ^b)
Cost			
Cost allocation	140 (15.3)	36 (11.3)	104 (17.5)
Other cost accounting topics	21 (2.3)	14 (4.4)	7 (1.2)
Cost practices	15 (1.6)	4 (1.3)	11 (1.9)
Multiple	1 (0.1)	0 (0.0)	1 (0.2)
<i>All cost</i>	<i>177 (19.3)</i>	<i>54 (16.9)</i>	<i>123 (20.6)</i>
Control			
Budgeting	134 (14.6)	64 (20.0)	70 (11.7)
Capital budgeting	47 (5.1)	14 (4.4)	33 (5.5)
Performance measurement and evaluation	148 (16.2)	35 (10.9)	113 (19.0)
Organizational control	296 (32.3)	119 (37.2)	177 (29.7)
International control	16 (1.8)	4 (1.3)	12 (2.0)
Multiple	3 (0.3)	1 (0.3)	2 (0.3)
<i>All control</i>	<i>644 (70.3)</i>	<i>237 (74.1)</i>	<i>407 (68.3)</i>
Other			
AIS	7 (0.8)	4 (1.3)	3 (0.5)
Benchmarking	2 (0.2)	0 (0.0)	2 (0.3)
Quality (TQM)	9 (1.0)	0 (0.0)	9 (1.5)
Just-in-time (JIT)	7 (0.8)	0 (0.0)	7 (1.2)
Research methods	20 (2.2)	6 (1.9)	14 (2.4)
Strategic management	15 (1.6)	7 (2.2)	8 (1.3)
Transfer pricing	31 (3.4)	9 (2.8)	22 (3.7)
Multiple	4 (0.4)	3 (0.9)	1 (0.2)
<i>All other</i>	<i>95 (10.4)</i>	<i>29 (9.1)</i>	<i>66 (11.1)</i>
Total	916 (100.0)	320 (100.0)	596 (100.0)

(Hesford et al., 2007)

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Topik Penelitian AM



	<u>n</u>	<u>% of total</u>	
Management Control			
Budgeting	7	5.07%	(7/138)
Organisational Control			
<i>Corporate Governance</i>	6	4.35%	(6/138)
<i>International Control</i>	7	5.07%	(7/138)
<i>Inter-organisational Control</i>	9	6.52%	(9/138)
<i>Intr-aorganisational Control</i>	10	7.25%	(10/138)
<i>Transfer Pricing</i>	5	3.62%	(5/138)
Performance Measurement & Evaluation			
<i>Benchmarking</i>	1	0.72%	(1/138)
<i>Consequences</i>	10	7.25%	(10/138)
<i>Incentive Systems</i>	6	4.35%	(6/138)
<i>Perf. Measurement Systems</i>	22	15.94%	(22/138)
	83	60.14%	(83/138)

Harris & Durden (2012)



Topik Penelitian AM



Cost Accounting

Activity-Based Costing	7	5.07%	(7/138)
Inter-organisational Cost Mgt.	4	2.90%	(4/138)
	11	7.97%	(11/138)

Intellectual Resource Management

Accounting Info. Systems	6	4.35%	(6/138)
Knowledge Management	4	2.90%	(4/138)
Management Info. Pres.	2	1.45%	(2/138)
Organisational Learning	1	0.72%	(1/138)
	13	9.42%	(13/138)

Harris & Durden (2012)



Topik Penelitian AM



Other

Literature Review/Analysis	1	0.72%	(1/138)
Research Methods	16	11.59%	(16/138)
Risk Management	4	2.90%	(4/138)
Strategic Management Acct.	8	5.80%	(8/138)
Sust. & Env. Management	2	1.45%	(2/138)
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	31	22.46%	(31/138)

Harris & Durden (2012)

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Teori Penelitian AM



Source discipline ^e	1981–2000 Articles (Pct. ^f)	1981–1990 Articles (Pct. ^f)	1991–2000 Articles (Pct. ^f)
Economics			
Economics	360 (39.3)	122 (38.1)	238 (39.9)
Economics/Psychology	13 (1.4)	4 (1.3)	9 (1.5)
Economics/Sociology	20 (2.2)	5 (1.6)	15 (2.5)
Economics/POM	3 (0.3)	2 (0.6)	1 (0.2)
<i>All Economics</i>	396 (43.2)	133 (41.6)	263 (44.1)
Psychology			
Psychology	121 (13.2)	58 (18.1)	63 (10.6)
Psychology/Economics	4 (0.4)	0 (0.0)	4 (0.7)
Psychology/Sociology	15 (1.6)	3 (0.9)	12 (2.0)
<i>All Psychology</i>	140 (15.3)	61 (19.1)	79 (13.3)
Sociology			
Sociology	320 (34.9)	101 (31.6)	219 (36.7)
Sociology/Economics	19 (2.1)	9 (2.8)	10 (1.7)
Sociology/Psychology	23 (2.5)	10 (3.1)	13 (2.2)
<i>All Sociology</i>	362 (39.5)	120 (37.5)	242 (40.6)
Other			
History	4 (0.4)	1 (0.3)	3 (0.5)
POM	12 (1.3)	5 (1.6)	7 (1.2)
POM/Economics	2 (0.2)	0 (0.0)	2 (0.3)
<i>All Other</i>	18 (2.0)	6 (1.9)	12 (2.0)
Total	916 (100.0)	320 (100.0)	596 (100.0)

(Hesford et al., 2007)

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Metode Penelitian AM



Research method ^c	1981–2000 Articles (Pct. ^d)	1981—1990 Articles (Pct. ^d)	1991–2000 Articles (Pct. ^d)
Analytical	169 (18.4)	62 (19.4)	107 (18.0)
Archival	78 (8.5)	10 (3.1)	68 (11.4)
Case	78 (8.5)	16 (5.0)	62 (10.4)
Experiment	116 (12.7)	50 (15.6)	66 (11.1)
Field	91 (9.9)	23 (7.2)	68 (11.4)
Frameworks	179 (19.5)	77 (24.1)	102 (17.1)
Review	49 (5.3)	24 (7.5)	25 (4.2)
Survey	149 (16.3)	55 (17.2)	94 (15.8)
Other	7 (0.7)	3 (0.9)	4 (0.6)
Total	916 (100.0)	320 (100.0)	596 (100.0)

(Hesford et al., 2007)



Tren Penelitian AM

- The decreasing emphasis on budgeting research, a significant increase in research surrounding the concept of internationalisation
- The decreasing emphasis on cost accounting research was pointed out while Intellectual Resource Management was highlighted as a major emerging area
- A slow but steady pattern of growth was noted in Strategic Management Accounting research.

Harris & Durden (2012)



Topik-Topik Tren Penelitian AM



- Performance Measurement Systems
- Trust
- Leadership
- Organisational Justice
- Sustainability and Environmental Management

Harris & Durden (2012)



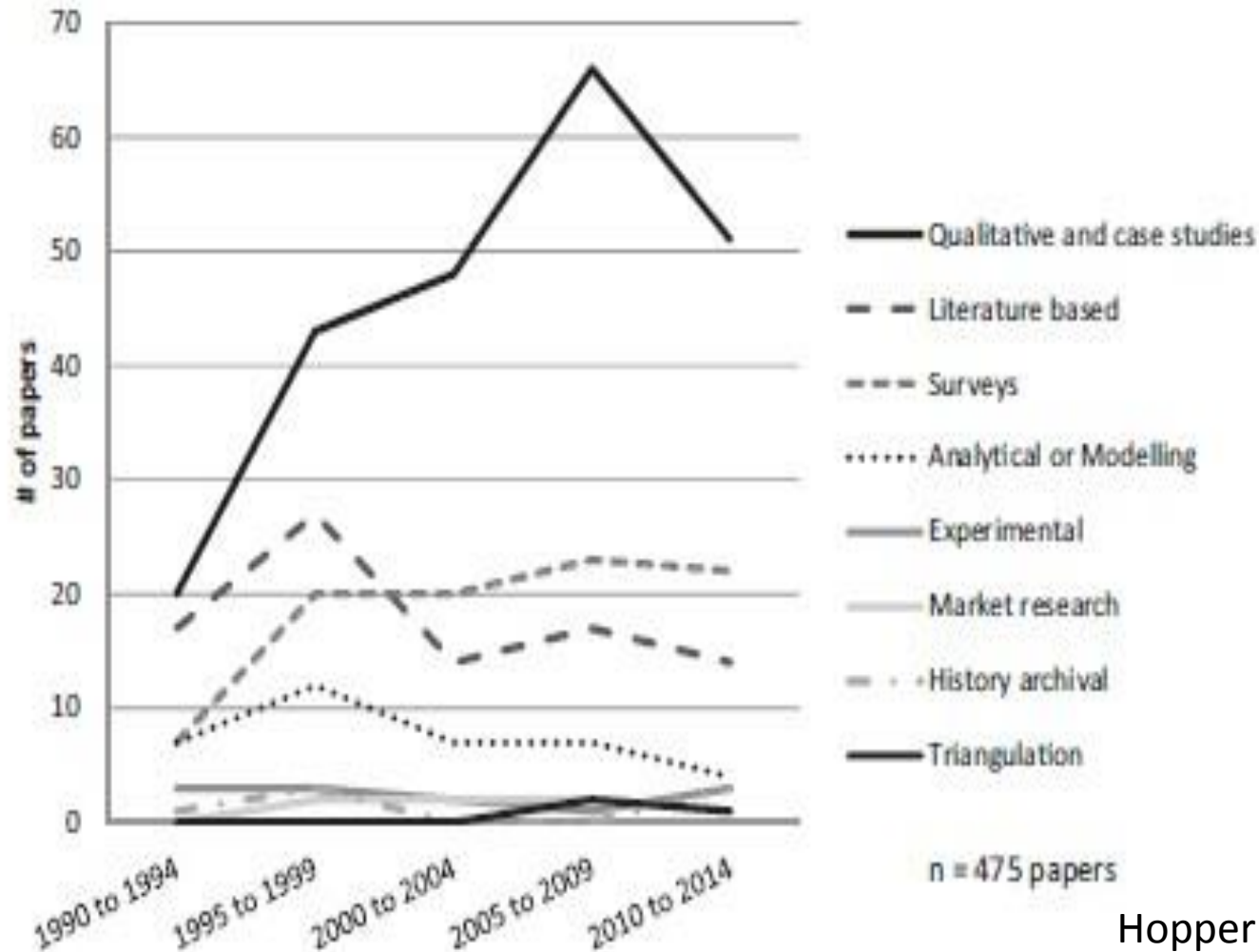
Tema-Tema Baru SPM



- Decision making for strategic control
- Performance management for strategic control
- Control models for performance measurement and management
- Management control and new forms of organisation
- Control and risk
- Culture
- Information technology

Berry et al. (2009)

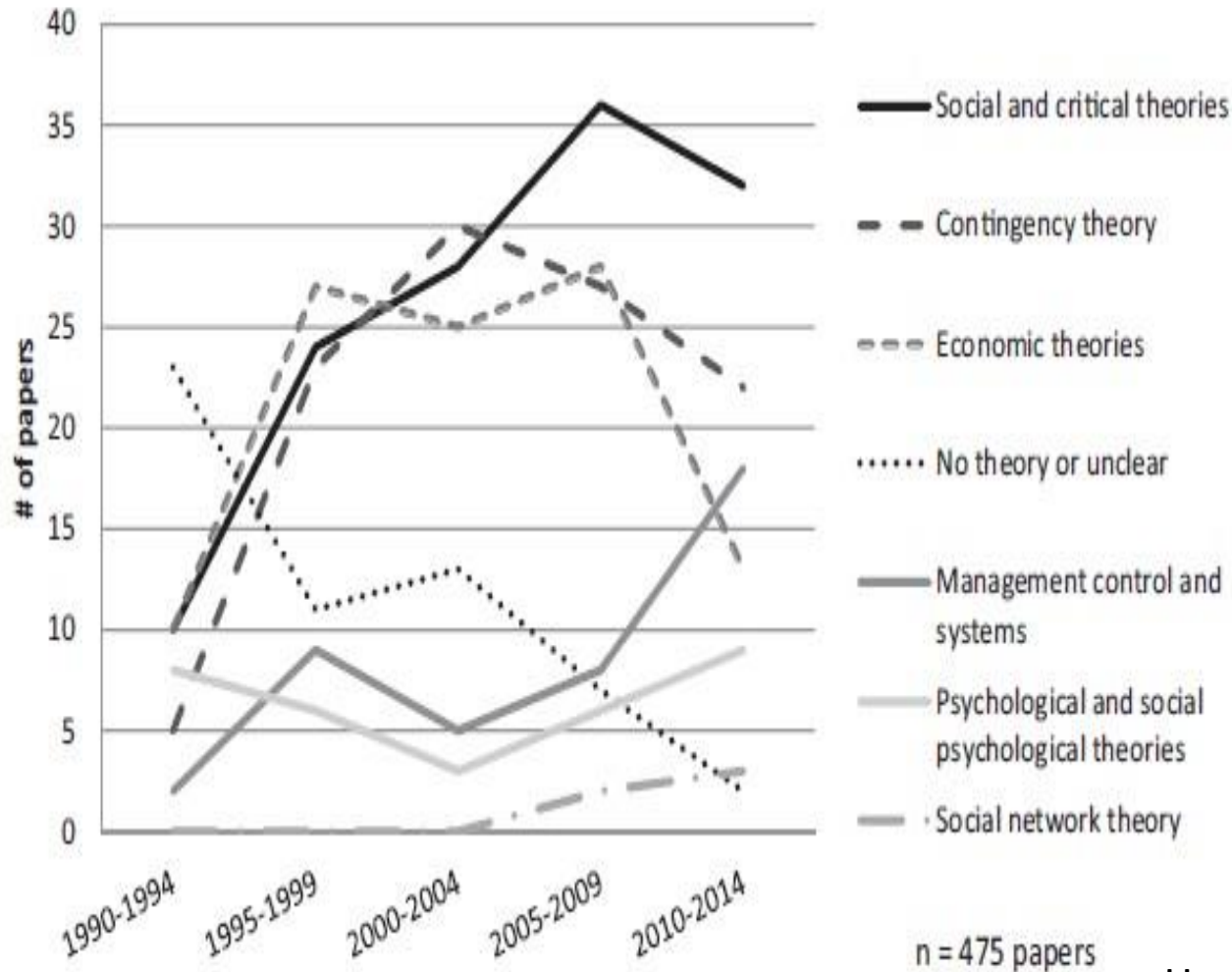
Metode Penelitian di MAR



Hopper & Bui (2016)



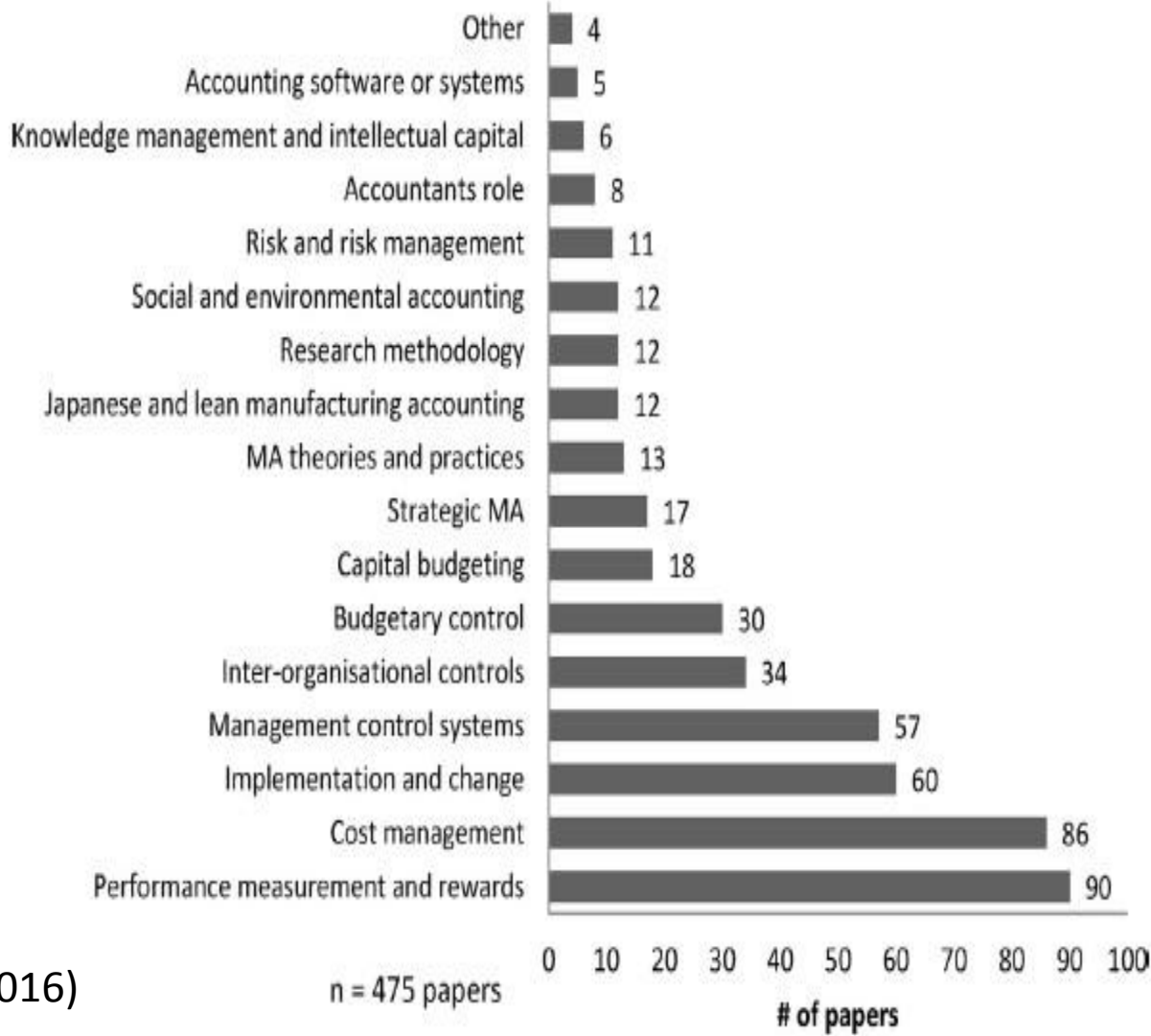
Teori yang Digunakan di MAR



Hopper & Bui (2016)



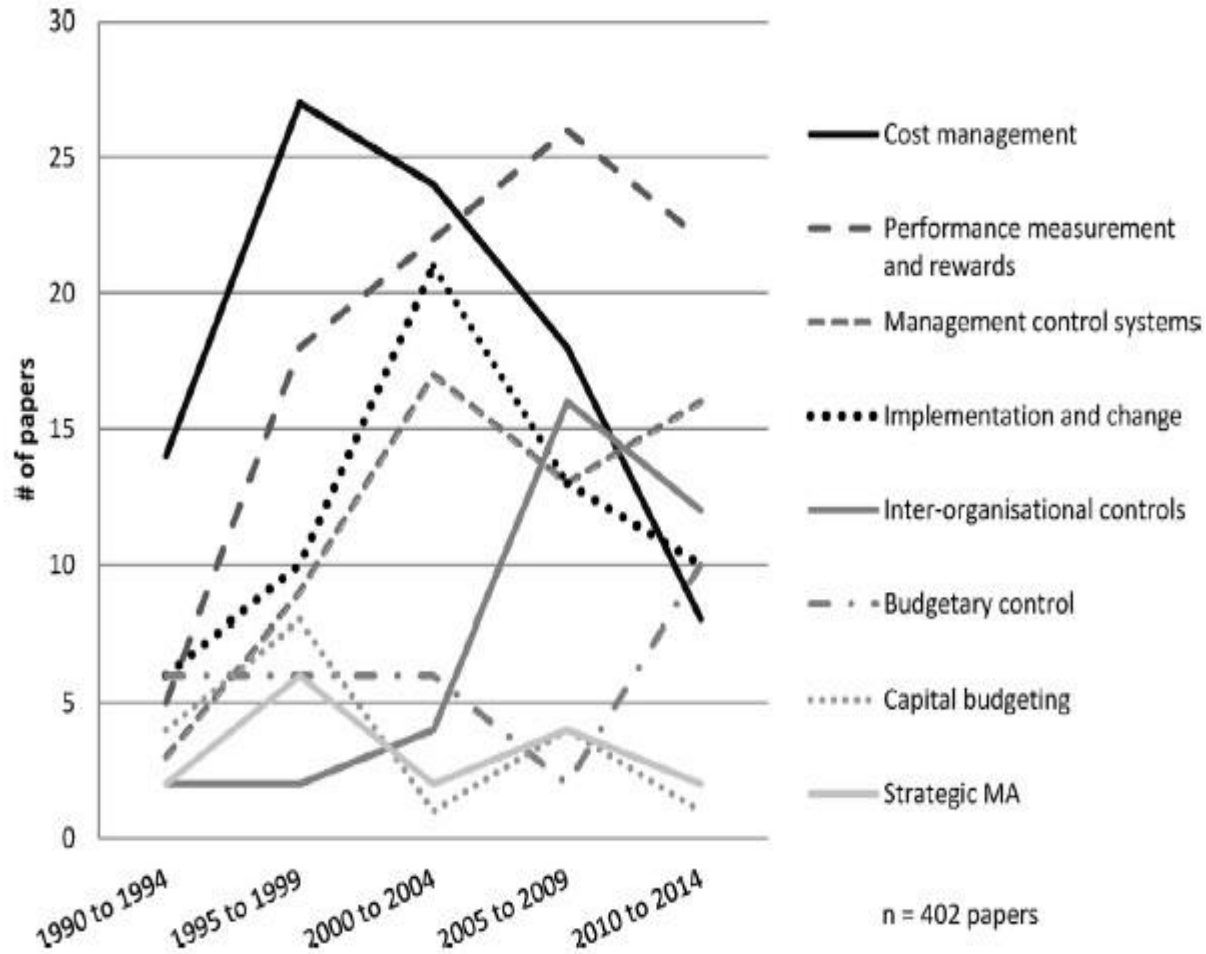
Distribusi Topik di MAR



Hopper & Bui (2016)
8/20/2016



Perubahan Topik di MAR



Hopper & Bui (2016)



Saran



- There is a need for research in management accounting to more effectively build on prior research so as to accumulate knowledge about specific issues and problems.
- researchers in the different areas (or sub-disciplines) of management accounting should talk to each other more.

Bromwich & Scapens (2016)



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ALHAMDULILLAAH

<http://feb.ugm.ac.id/en/lecturers/mahfud-sholihin>

https://www.researchgate.net/profile/Mahfud_Sholihin/contributions



Perkembangan Kurikulum Akuntansi Manajemen

Prof. Dr. Dian Agustia, Ak., CMA., CA. (FEB Unair)

Management Accounting

The process of preparing management-report and providing accurate and timely financial and non-financial information required by managers to make day-to-day and short-term decisions.

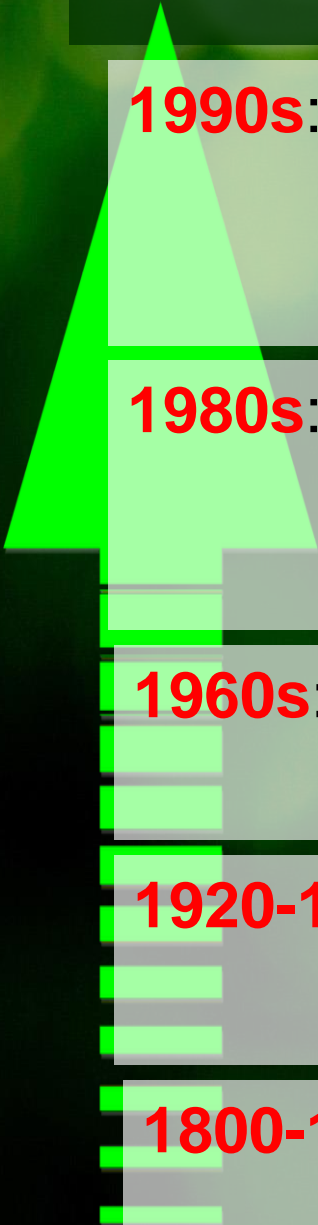


Akuntansi Manajemen sebagai Mata Kuliah

Bertujuan agar para lulusan mampu mengekstrak, memodifikasi, merekayasa, dan menyajikan informasi finansial dan non-finansial yang berguna dalam pembuatan keputusan manajerial, khususnya keputusan operasional keseharian dan jangka pendek.



Historical Evolution of Management Accounting

- 
- 1990s:** Focus shifted to value management, including the creation of customer value, strategy, BSC, EVA & other topics
- 1980s:** Focus on cost management, reduction of waste, just-in-time, ABC implementation, and quality cost
- 1960s:** Effort to improve the managerial usefulness of traditional cost systems, the dawn of ABC
- 1920-1950:** Emphasis of inventory costing for external reporting & cost determination
- 1800-1920:** The development of traditional cost systems and internal accounting procedures

Akuntansi Biaya dan Akuntansi Manajemen

Akuntansi Biaya lebih fokus pada akumulasi biaya untuk penilaian persediaan sehingga cenderung memiliki kedekatan dengan akuntansi keuangan, sedangkan

Akuntansi Manajemen lebih fokus pada penyediaan informasi yang berguna dan relevan untuk proses perencanaan, pengendalian, pembuatan keputusan, dan pengukuran kinerja.

Perbandingan Singkat *Content* Akuntansi Manajemen di 3 universitas

No	Topik	Univ. Airlangga	City U of Hong Kong	Harvard University
1	The role of Managerial Accounting	✓	✓	✓
2	Management-Accounting Basic Concept	✓	✓	✓
3	Cost Behavior and Cost Volume Profit Analysis	✓	✓	✓
4	Product Costing	✓	✓	✓
5	Activity Based Costing and Management	✓	✓	✓
6	Full Costing and Variable Costing	✓	✓	✓
7	Profit Planning, Activity Based Budgeting & Flexible Budgeting	✓	✓	✓

Perbandingan Singkat *Content* Akuntansi Manajemen

No	Topik	Univ. Airlangga	City U of Hong Kong	Harvard University
8	Standar Costing and Overhead Management	✓	✓	✓
9	Performance Measurement and Balanced Scorecard	✓	✓	✓
10	Short-Run Decision Making	✓	✓	✓
11	Transfer Pricing Policy	***	✓	✓
12	Environmental Costing, and Sustainability Issues	***	✓	✓
13	Hybrid Product-Costing System			✓
14	Accounting for Mass Operation and Lean Production			✓

Keterangan :

1. *** dibahas sepintas, namun tidak merupakan BAB tersendiri, tetapi menjadi bagian pembahasan dari Bab tertentu.

Perbandingan Singkat *Content* Akuntansi Manajemen

Tabel sebelumnya memberikan gambaran mengenai beberapa topik terkini Akuntansi Manajemen yang mungkin pembahasan perlu diperluas atau belum secara diintegrasikan dalam kurikulum.

1. *Sustainability Accounting, Environment Cost, Governance, dan Corporate Responsibilities,*
2. Topik yang mengakomodasi perkembangan terkini dalam *product-costing* dan sistem produksi seperti *Lean Production System, Cost Stickiness.*
3. Topik lainnya : *Agency theory for managerial accounting,*

Spesifikasi Akuntansi Manajemen menurut Lembaga Sertifikasi Internasional

Institute of Chartered Accountants in England and Wales (ICAEW), salah satu lembaga sertifikasi akuntan internasional telah mencantumkan materi ***Governance, Sustainability, dan Corporate Responsibilities*** sebagai salah satu spesifikasi yang harus dikuasai oleh para akuntan.

Topik-topik ini tercakup dalam modul *Business dan Finance* mereka

A close-up photograph of vibrant green leaves, likely from a plant like a lily, covered in numerous clear water droplets. The lighting is bright, creating a fresh and natural atmosphere. The leaves are layered, with some in sharp focus and others slightly blurred in the background.

ICAEW - Governance, sustainability, and corporate responsibility

Students will be able to identify the role that governance plays in the management of a business and specify how a business can promote corporate governance, sustainability, corporate responsibility and an ethical culture.

ICAEW - Governance, sustainability, and corporate responsibility assessment

In the assessment, students may be required to:

- a. state the reasons why governance is needed and identify the role that governance plays in the management of a business;*
- b. identify the key stakeholders and their governance needs for a particular business;*
- c. identify and show the distinction between the roles and responsibilities of those charged with corporate governance and those charged with management*
- d. specify how differences in legal systems and in national and business cultures affect corporate governance;*

ICAEW - Governance, sustainability, and corporate responsibility assessment

- e. identify the roles and responsibilities of the members of the executive board, any supervisory board, the audit committee and others charged with corporate governance, internal audit and external audit;*
- f. identify the roles and responsibilities of those responsible within a business for internal audit and for the external audit relationship;*
- g. specify the nature of ethics, business ethics, professional ethics, sustainability and corporate responsibility; and*
- h. specify the policies and procedures a business should implement in order to promote an ethical culture.*

Kurikulum Akuntansi Manajemen di masa mendatang

- Topik-topik yang sebelumnya dianggap sebagai isu terkini di Akuntansi Manajemen saat ini telah menjadi isu yang tidak lagi baru
- Sudah waktunya para pengajar Akuntansi Manajemen untuk mereview kembali topik bahasan perkuliahan Akuntansi Manajemen dan mengupdate pengetahuannya



Sekian dan terima kasih