

MANAGEMENT ACCOUNTING RESEARCH DEVELOPMENTS, RESPONSES, CHALLENGES, AGENDA AND ROLE OF LECTURERS

SeTin SeTin

Maranatha Christian University
setin2005@yahoo.com

ABSTRACT

This paper aims to explain the developments, responses, challenges and agenda of management accounting research. This paper also explains the role of lecturers in answering the research agenda and how universities can play a role in expanding knowledge about management accounting practices. As a whole, this article discusses the development of research from before 1970 to the present and the development of the use of theory and methodology. Various facts and responses from the media, journal publishers, and practitioners on research results, challenges, opportunities, research agendas and their relation to MBKM policies are also described in this article.

Keywords: Management accounting research, development, research agenda, lecturer

Introduction

This article explains the achievements of research in the field of management accounting and describes some of the challenges and research opportunities for the future. There have been significant changes in the direction of management accounting research since before the 1970s until now, such as from the prescriptive and normative research and then shifting to positivistic research. These changes also affected a number of other factors, such as the use of research methods, from surveys to case studies, and changes in the theoretical approach used, from contingency theory to institutional theory.

Various achievements of accounting research are also followed by a number of criticisms about the practical usefulness of the research in accounting which are provided by universities, as accounting is an applied social science, so it has to be useful for the accounting professions, accounting practitioners, and industries (Fraser & Sheehy, 2020). Many stakeholders question the relevance of the value of research published in accounting journals to the world of practice. The accounting research context on the academic field is almost separated from the real-world of accounting professions (Fraser & Sheehy, 2020). Only a few accounting researchers who apply their academic research skills to practical problems. Accounting research in universities has roles like transferring knowledge (teaching) and building knowledge (conduct research). In the association to management accounting, the main role of lecturers is to provide management accounting knowledge that is in accordance with management accounting practices in the industry (through internalization of research results into learning) and the second role is to conduct research to improve the discipline of management accounting.

This article provides contribution to knowledge by highlighting the evolution of management accounting research, and the gaps that exist between management accounting theory and practice, and highlighting the areas that require further research. This paper also highlights the various criticisms and discusses the factors that underline these problems.

Discussion

A. The Development of Management Accounting Research

The review of the development of management accounting research is divided into several stages, namely before the 1970s, 1970s, 1980s, 1990s to the present. In the period before 1970, management accounting researchers did not know or did not understand the management accounting practices (Bromwich & Scapens, 2016). There was a very little research that had an impact on practices. Research was based on neo-classical economic assumptions and researchers adopted a management science perspective to develop decision models, such as calculating costs and benefits of information. Existing theoretical models were failed to be tested in practices. At this time, there is a huge gap between theory & practice. During this period, researchers have developed the normative model (offering prescriptions and recommendations), however, there is no evidence that practitioners use or desire the normative model. This period is called "The worst time", because researchers operate in their 'ivory tower', researchers do not know and do not care about the problems in practices, are arrogant, as if they know what attitude to be conducted in practices, whereas they do not understand the complexities of the business. Management accounting teaching at universities has not been

research-oriented and there has been no professional review of research findings. The huge gap is there, because at this time the world of management accounting practice has realized their problems and is trying to innovate, while management accounting researchers still do not know and do not understand the world of practice.

In the 1970s, researchers knew a little about management accounting practices, such as overhead cost allocation, budgeting, and standard costing. There is currently no generally accepted definition of management accounting. A gap was found between theory and practice when comparing existing textbooks and practice.

In the 1980s, researchers began to study on management accounting practices using several theories. Researchers began to study the practices through surveys/case studies with descriptive methods, began to use organizational and social theory and used contingency theory to study management accounting. Senior researchers asked to use a behavioral lens on studying the management accounting.

In 1990 – present, Researchers begin to use theories from various disciplines and various methodologies. Management accounting research has experienced a tremendous improvement. Researchers use a variety of theories, research methods, knowledge disciplines, and various paradigms. The researchers provide a very theoretical explanation of management accounting practices in both qualitative and quantitative research so that it becomes a much richer understanding of management accounting practices. Management accounting research over the last 25 years has played an important role in expanding knowledge of how management accounting works in practices, both theoretically and empirically. Its size is signified by an increase in the citation index, a decrease in the number of articles without a clear theory, and an increase in the number of articles that use social & critical theory, including interpretive, institutional, social and environmental, political economy, post-structural and constructivist work.

In terms of the use of theory, during 1990-1994, 34% of articles were applied, which means, researchers explained the practices without using any theories (no theories / unclear). Researchers conducted applied writing as it was needed at that period of time to start learning about practices. In the next 10 years, the number of 'applied' articles decreased, and this explains there was an increase on the importance of theory. There is a shift in the type of theory used, from economic theories that were prominent in 1990-1999, but then it was shifted to institutional theory, contingency theory, and other theories. This is not the editor's decision, but it reflects the way management accounting research has been developed.

The use of psychological theory also continues to grow in learning the management accounting practice. Management accounting practice cannot be separated from managerial behavior, so understanding managerial behavior requires insights from psychology-based theory (Birnberg et al., 2006). The psychological theories that are most relied on in management accounting research are motivational psychology, social psychology, and cognitive psychology theories. The motivational psychology theory, explains that there are psychological processes that affect behavior, such as unfulfilled needs and motivations, external motivation (rewards and reinforcements), motivation from the intended set goals and others. Social psychology theory explains how other people affect the thoughts and behavior of individuals. Cognitive psychology theory explains how knowledge/assessment/learning process can affect individuals' thinking/decision. Examples of management accounting research that uses psychological theory are research in the field of budgeting and performance evaluation. In terms of research methods, the first 10 and 20 years (1990-1999; 1999-2009) indicated the publication of quantitative and qualitative articles. There was a substantial increase in the number of case study/field study articles and surveys applying statistical methods, but a decrease in analytical articles and fewer articles using experimental methods.

B. Response on Research Results

This section describes the responses from various parties (public media, journal publishers & practitioners, organizations) on the research results. Research results that are valued, are published in highly ranked academic journals. The research results are of little interest to the public media, because, First, the public media tend to be interested in scandals and profits issues, while CEOs rarely argue that accounting provides an exclusive advantage to organizations. Second, management accounting researchers tend not to produce new facts. Research results have no practical impact/irrelevance to the needs of practitioners, although researchers often make exaggerated claims about findings. Practitioners expect research to provide a critical analysis of the consequences of practice (Scapens & Bromwich, 2010). As a result, the research results are not of interest to the practitioners. Third, research tends to follow (rather than lead/precede) management accounting practices. Management accounting research is behind in taking part in the management accounting innovations in the world of practice.

Why is it that many of the management accounting researches have no practical impact? According to the practitioners, this is because first, the research model is far from the context in which the organization operates, especially when researchers only focus on specific/narrow sub-disciplines. Practitioners expect researchers to take a more holistic view of the organization. Second, novateurpublication.com

Researchers tend to adopt very limited assumptions which are often 'one-off' investigations of a complex set of variables. As a result, the results are very sensitive to changes in assumptions. Third, important variables are often removed. Practice is interested in research that is compatible with organizational settings, research with robust and stable findings over time, and research that is easy to understand.

Another fact shows that the acceptance of research results takes quite a while (>10 years) and most innovations develop in practices and are developed by engineers rather than by accountants. An example, the topic of Discounted Cash Flow (DCF) was developed by economists researchers, although accounting researchers were involved in its spread. Another example, although the topic of divisionalization is growing in practices and researchers are developing a number of accounting tools, it is the consultants who perfect and popularize these new techniques.

The results of innovation appear to be widely accepted but innovation is relatively rare. The spread of successful innovations is very slow and most of the innovations come from practice. Some innovations, for example, linear programming, are important for research and teaching but these topics fail to take off in practice, unless only a few specialists use them. The topic of Activity Based Costing (ABC) and various management accounting tools from Japan, while they may seem to offer great promises, are useful for only a limited number of purposes. Only a few innovations come from practice, which are highlighted and refined by researchers or popularized by consultants. For example, the Activity Based Costing (ABC) and Balance Score Card (BSC). One successful innovation based on research is value added management and transfer pricing. Research on agency theory, contingency theory, and management control, are some of the main studies in the field of management accounting, but are considered to be of low impact. The findings of this research are considered to be able to increase the understanding of management accounting, but have only a little impact on practice. The concepts of moral hazard, contingency, and individual incentive/performance are well understood from experience in practice. However, only a little evidence explains that this concept is put into practice. The current hot topic for the world of practice is the business model. This topic is rated as having a high impact on practice, but researchers do not appear to be very interested in this area. If researchers want to contribute to the innovation of new practices, then they need to be involved in the life of the innovation.

C. Challenges

The challenge of management accounting research is the number of questions about the impact and value of research from academia, let alone the research that uses public funds. How to show the value/impact of management accounting research for non-academic/for practice, and for academic literature. When asking the practitioners about the types of research which have a major impact on management accounting over the last 25 years, they will refer to the BSC, ABC, and not theories that have been developed in the academic literature. So, the challenge is the relevance of research results into the world of practice. Senior researchers also claim that the current generation of research is of little use. The challenge of understanding the management accounting practice, the challenge of building a coherent management accounting knowledge that has the potential to make a difference in practice; because so far, the diversity of topics, methodologies, and theories created a separate (sub)discipline in management accounting.

D. Opportunities and Research Agenda

Future management accounting research opportunities discuss issues related to: First, Industry, which is to study various types of industries and their effects on management accounting, so that researchers can understand how industry works and understand why accounting is practiced. Second, regulations, namely governance regulations, regulations on transparency requirements, and disclosure. With the application of new regulations, this means that new data are available for empirical studies and this becomes a research opportunity. Third, replication of findings, to increase knowledge accumulation (building knowledge). It is needed to expand on previous research, namely building research based on previous work. Not just pure replication (repeating the same research) with different settings (eg different samples/locations/populations); but first to confirm that there are similar findings before continuing to explore new variables, test additional hypotheses, develop ideas/frameworks, and create new measures. Conducting experimental studies to complete the archives and survey results are one of the examples of replication for the research agenda. Fourth, to integrate management accounting research, such as a) Research should not be isolated from other disciplines, it has to welcome research results from other disciplines (eg learning the variables in other fields that may be closely related to the field of management accounting, variables in the field of psychology that speak the same thing regarding performance/ employee outcomes); b) integration of research results at different levels of analysis, eg using findings at the individual level to design studies at the organizational level; c) integrating research by associating various research methods (qualitative and quantitative; experiments with surveys and field research). d) Expanding the contingency approach. Since the 70s, the contingency approach has become a success story for management accounting research, especially on the topic of control systems. In which there are many contextual factors (outside of the accounting domain) that determine the affect of the control

system on performance, for example motivation, commitment, environmental uncertainty and others. Research is generally still partial in explaining the company's control system, such as examining control aspects independently, and many researches only analyze individual units of analysis rather than organizations.

The future research agenda analyzes the relationship between various aspects of control as a package; analyzes models that connect elements of performance management systems; contingency research that combines qualitative and quantitative methods. For example, using qualitative research to define the problem and interpret the results of a quantitative contingency research. In terms of intra-company and inter-company relations; qualitative research can provide insights into the nature of inter-firm controls, while quantitative research provides larger sample evidence on the use of controls and their relationship to contextual factors. Future research looks at the relationship of individual-level contingencies to organizational-level contingencies and explores how organizations and individuals can achieve compatibility.

E. The Role of Management Accounting Lecturers

How to ensure that the research results have a greater impact on future accounting practice? Research lecturers need to be aware of what is happening in practice and be willing to conduct the research of problems that might interest the practice/organization. For example, surveys are designed based on a thorough understanding of the practice. The theory that supports survey, reflects on the knowledge available in practice and is not based solely on the theoretical literature. Conducting case studies and field research. Research lecturers adopt to a variety of research methods and theories as well as integrating/using alternative approaches to learn specific issues and problems longitudinally, for example by using various disciplines of sociology, psychology, and organization. Regarding publications, research lecturers need to continue to meet the expectations of reviewers and journal editors by producing a well-designed research, which uses practical knowledge so as to improve the research quality and to contribute to knowledge. This of course will take time and is a risky investment. However, it also helps management accounting researchers to provide a bigger impact in the future.

In the era of "Merdeka Belajar Kampus Merdeka" (MBKM), students are given wide opportunities to gain learning experiences outside of campus, such as internships in the industry or conducting independent learnings and research. These opportunities also provide great opportunities for research lecturers because of their role as the students' companions, so the involvement of lecturers in the problems of the world of practice becomes even obvious. Research lecturers can get closer to the world of practice and then internalize research results into learning in the classroom.

Conclusion

By studying and understanding the development of management accounting research and knowing how responses, demands, challenges on research results and the various opportunities that exist, management accounting research lecturers can conduct research agendas that are in accordance with the needs of the world of practices. Research that is in accordance with the world of practice is also needed to build knowledge in Universities. Universities play an important role in expanding knowledge of how management accounting works in practice. The difficulty for research lecturers to enter the practice area has an open way with the policy of "Merdeka Belajar Kampus Merdeka" (MBKM), namely through the role of lecturers as the companions for students to do internships, independent learnings, and even conduct research in the industry. The MBKM program, which is attended by students and accompanied by lecturers, naturally brings industrial problems closer to the college world and obtains solutions from the world of universities.

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