

ADVANCES IN MANAGEMENT ACCOUNTING

Edited by Chris Akroyd

ADVANCES IN
MANAGEMENT ACCOUNTING

VOLUME 35

ADVANCES IN MANAGEMENT
ACCOUNTING

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ACCOUNTING VOLUME 35

**ADVANCES IN
MANAGEMENT
ACCOUNTING**

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STATEMENT OF PURPOSE

Advances in Management Accounting (AIMA) is a publication of quality, theoretical, and applied research in management accounting. The journal's purpose is to publish thought-provoking articles that advance knowledge in the management accounting discipline and are of interest to both academics and practitioners. The journal seeks thoughtful, well-developed articles on a variety of current topics in management accounting, broadly defined. All research methods including survey research, field tests, case studies, experiments, meta-analyses, and modeling are welcome. Some commentaries, research notes, and critiques will be included where appropriate.

Articles may range from purely empirical to purely theoretical, from practice-based applications to speculation on the development of new techniques and frameworks. Empirical articles must present sound research designs and well-explained execution. Theoretical articles must present reasonable assumptions and logical development of ideas. All articles should include well-defined problems, concise presentations, and succinct conclusions that follow logically from the data.

REVIEW PROCEDURES

AIMA intends to provide authors with timely reviews clearly indicating the acceptance status of their manuscripts. The results of initial reviews normally will be reported to authors within eight weeks from the date the manuscript is received. The author will be expected to work with the Editor and Associate Editors, who will act as a liaison between the author and the reviewers to resolve areas of concern. To ensure publication, it is the author's responsibility to make necessary revisions in a timely and satisfactory manner.

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MANUSCRIPT FORM GUIDELINES

1. Manuscripts should include a cover page that indicates the author's name and affiliation.
2. Manuscripts should include a separate lead page with an abstract (not to exceed 250 words) and seven keywords.
3. The author's name and affiliation should not appear on the abstract.
4. Tables, figures, and exhibits should appear on a separate page. Each should be numbered and have a title.
5. To be assured of anonymous reviews, authors should not identify themselves directly or indirectly.
6. Manuscripts currently under review by other publications should not be submitted.
7. Authors should email the manuscript in two WORD files to the editor. The first attachment should include the title page with author details and the second should exclude the title page.
8. Inquiries concerning *Advances in Management Accounting* should be directed to: Chris Akroyd at Advances.In.MA@Gmail.com

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INTRODUCTION

This volume of *Advances in Management Accounting (AIMA)* presents a diversity of management accounting topics, methods and author affiliations, which form the basic tenets of *AIMA*. Included are papers on planning, budgeting, costing systems, strategic management accounting practices and performance management. Topics analyzed include the new management accounting ecosystem, strategic planning and budgeting, complex cost accounting systems, non-monetary preferences and cost reporting, strategic management accounting practices, customer-centered strategy and relative performance information in remote work arrangements. The articles in this volume employ a variety of methods from experiments and case studies to surveys and a diversity in authorship with affiliations from Australia, Canada, New Zealand and the United States of America.

This volume begins with an article by the AIMA Editor and Associate Editors, Akroyd, Dow, Drake and Wong who argue that we need more cross-disciplinary research to bridge the gap between management accounting research and practice. They present an overview of the history of management accounting and show how research could be expanded to include external factors and information sources, which can be framed around the concept of the management accounting ecosystem. We encourage researchers to submit studies to *Advances in Management Accounting* that include the impact that external factors have on internal decision-making processes, evaluation of the effectiveness of new management accounting information sources and techniques in the broader ecosystem, and the use of new technologies to enhance the efficiency of management accounting practices.

The following three papers focus on issues around planning and budgeting. First, Spraakman and O'Grady examine how firms align strategic planning and budgeting. They interview management accountants at large, listed companies about how they achieve alignment between their strategic plans and budgets, both ex ante and ex post. They found that rather than using multiple strategic, planning, budgeting and forecasting processes these were all part of a single connected process. They show that alignment of strategic planning and budgeting are undertaken both prior to the beginning of the financial year as well as during the financial year. It is the alignments between these two mechanisms that enable these companies to accomplish their goals.

Sharma and Frost examine how social capital influences budgeting in a church organization. They argue that focusing on social capital can provide new insights into the construction of budgets and the social aspects which influence this process. They adopted a qualitative case study approach and carried out interviews of managers involved in the budgeting process, examined using an interpretive

methodology. They found that budgeting was a social process that was influenced by the social capital of the participants.

Miller, Peffer and Stone examine participative budgeting. They carry out two experiments to investigate whether managers' judgments of fair behaviors are malleable and context-dependent, and if these judgments of fair behavior impact cost reporting misrepresentations. They found that managers deploy fairness beliefs around honesty or equality consistent with maximizing their context-relevant income. Hence, fairness beliefs constrain misrepresentations in predictable ways. In addition, the authors found that more accounting information is not always beneficial as the presence of this information can actually increase misrepresentations when managers are initially advantaged.

Matsumura, Thomas and Yatsenko examine complex cost systems. They argue that organizations that operate in highly competitive markets want to have more accurate cost systems as systems with greater complexity are potentially more accurate. However, the authors argue that even complex systems do not always provide accurate costings due to design or calculation issues. They found that greater cost system complexity resulted in greater confidence in the cost system. As the level of competition increased there was a decrease in managers' attribution of cost-system-driven adverse firm effects to the cost system. When cost system complexity and higher competition were combined, managers were less likely to attribute the cost-system-driven adverse firm effects to the costing system.

Su, Baird and Nuhu examine how organizational culture influences the use of strategic management accounting practices and competitive advantage. They collected data from 408 accountants in Australian businesses using an online survey questionnaire, which they examine using structural equation modeling. They found a positive association between the use of strategic management accounting practices and competitive advantage although this association was positively moderated by one cultural dimension, teamwork orientation. This indicates that the positive effect of strategic management accounting practices on competitive advantage is dependent upon the fit between the use of these practices and teamwork orientation.

Anderson, Khan, Mashruwala and Yu examine how managers acquire and develop specialized resources as they grow their firms which enable a resource-based competitive advantage. They argue that an important part of committing to a resource-based strategy is a willingness to keep spending on specialized resources during periods when sales and profits are down. They examine whether such resource-based commitments to a customer-centered strategy result in improved customer satisfaction. They find evidence consistent with their expectations that resource-based commitments are reflected in cost stickiness, which is an important dimension of creating and sustaining a resource-based competitive advantage.

In the final paper, Daly and Yatsenko seek to understand if relative performance information can improve performance in remote work arrangements. It has been argued that the use of relative performance information can improve employee performance; however, there may be differences in employees' remote work environments which could influence performance. In this study, the authors

manipulate relative performance information across the sections of introductory accounting courses taught during the COVID-19 pandemic. The authors found that relative performance information improves performance in a remote work setting, as students receiving relative performance information achieved higher exam scores and increased their exam scores to a greater extent than students who did not receive relative performance information. The authors also found that lower performers improved performance more than higher performers in response to RPI, and the effect of RPI was more pronounced in those closest to meaningful thresholds. These results inform practice on the expected benefits of implementing relative performance information in a remote work setting.

The eight articles in Volume 35 represent relevant, theoretically sound and practical studies that extend our knowledge within the management accounting discipline. These articles manifest the journal's commitment to providing a high level of contribution to management accounting research and practice.

Chris Akroyd
Editor