A contemporary view of management accounting, its genesis and evolution: A literature review

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ABSTRACT

The paper analytically examines literature to elucidate the origin and evolution of management accounting. The study recommends the use of management accounting as it improves competitive edge and creates value for the organisation. 

Introduction

Numerous studies concur that the use of management accounting is imperative for success and survival of an entity as it promotes efficiency as well as improves the competitive edge of the entity (Mitchell & Reid, 2000; Folk, Ray & Eric, 2002; Horngren et al., 2009). Azudin and Mansor (2018) also stated that management accounting provides various tools that aid in executing elementary management functions such as budgeting, costing, profit planning, decision making, and performance evaluation. On the same thread, Lucas, Prowle and Lowth et al. (2013) further postulated that the application of management accounting is an inevitability for both large and small entities operating in a globalised ever-changing business environment. Several scholars have asserted that if management accounting is well executed it will create and sustain value for the entity (Kaplan, 1998; Mitchell & Reid, 2000; Lucas et al., 2013).

However, there is debate in the academia on the relevance of traditional management accounting practices in the modern business environment. Johnson and Kaplan (1987) postulated that management accounting has lost relevance in the contemporary world as they fail to supply the appropriate gen to management. Kamal (2015:1) stated that since the mid-1990s management accounting has been seriously criticised for its failure to initiate change and cope up with the changes in the modern business environment. Lawrence and Ratcliffe, cited in Kamal (2015) pointed out that managers and management accountants are unsatisfied by the failure of MAPs in addressing the challenges they face. Aristotle said that “If you would understand anything, observe its beginnings and its development”. Littleton (1961:3) also appositely stated that “we are badly poised to assist the wiser movements if the trend is too dimly perceived”. According to Loft (1995:24) and Shottter (1999), there is little that has been chronicled about the evolution of management accounting; traditional historians of accounting have written much on financial accounting. Thus Aristotle and Littleton
are vindicated by this gap in the chronicling of trends in management accounting’s evolution. Belkaoui (1992:514) as well as Kelly and Pratt (1992) concur that management accounting is primarily based on the functional school of thought. Therefore, there is a need to judiciously analyse the origin and changes in management accounting as it was initially concerned with cost accounting issues.

The main aim of this paper is to examine the origin and evolution of management accounting. The paper further scrutinises and diligently critiques the “loss of relevance” school of thought as ascribed to management accounting explicitly in a modern rapidly changing business environment. For a better understating of the application of management accounting, the paper further reviewed the adoption of management accounting practices in both developed and developing countries. The organization of the paper is as follows: it commences with a discussion of management accounting definitions, followed by the methodology adopted in this study. Thereafter the discussion moves on to the evolution of management accounting and management accounting practices. Subsequently, the paper reviews the empirical literature on the use of management in both developing and developed economies. The paper concludes with a summary of the key findings and suggestions for future studies.

**Research and Methodology**

The paper applied critical literature analysis by synthesizing literature related to the origin and development of management accounting. Methodologically, critical literature analysis has been adopted by various authors in their studies (Waweru, 2010; Gliaubicas, 2012; Kamal, 2015; Dlamini & Schutte, 2020; Ahmed, 2021). The six steps that were proposed by Templier and Paré (2015) were iteratively followed in the gathering of data.

Guided by the steps stipulated in Figure 1, step one in this literature review methodology was to formulate the problem. The need, the purpose and the objectives for this study as a standalone literature review was identified in the introduction section (Okoli & Schabram, 2010). Then data search exercise was conducted, database driven search was done on various online databases. Furthermore, articles were searched using search engines such as Google and Google Scholar (Rashid, Ali & Hossain, 2021). In the process of gathering information for a literature review, finding the key research and assessing their applicability are both crucial processes (Vom Brocke, Simons, Niehaves, Riemer, Plattfaut & Cleven, 2009). In this study, journal articles that were relevant for the current study were included and articles which fall under working papers were excluded. Data was extracted from all the articles that met the study objectives (Templier & Paré, 2015). The final stage was to analyse, summarize, aggregate collected data in a meaningful way in order to provide a coherent lens to make sense of extant knowledge on the topic under study. For data analysis the study adopted content analysis.

**Management accounting defined**

There is no universally agreed definition for management accounting (Scapens, 1991:9; Ahmad, 2012:35), but various definitions are provided by different authors and accounting bodies. The Institute of Management Accountants’ (IMA) defines management accounting as “a profession that involves partnering in management decision-making, devising plans and performance management systems, and providing expertise in financial reporting and control to aid management in the formulation and implementation of an organization's strategy”. The Chartered Institute of Management Accountants’ (CIMA) describes management accounting as “the process of identification, measurement, accumulation, analysis, preparation, interpretation and communication of information used by management to plan, check and control within an entity and to assure proper use and accountability of its resources.”
A number of scholars reflects the foregoing definitions in the way management accounting is viewed. Management accounting is the collection, recording, and reporting of useful statistical and accounting data for decision-making purposes in accordance with the recipient needs (Crossman, 1958:222; Singer, 1961:112; Feltham, 1968:684; Brunns & McKinnon, 1993:87; Horngren et al., 2005). Therefore, it can be gathered that management accounting is the collection, recording and reporting of useful statistical and accounting data for decision-making purposes in accordance with the recipient’s needs. Management accounting provides score keeping, problem-solving, design information and accounting systems in an organisation to induce rational decision-making.

Management accounting is a field of accounting, which integrates all areas of accounting, as the practical science of value creation in an entity with the leading-edge practices necessary to drive successful businesses. It incorporates financial analysis and business strategy. Management accounting further combines qualitative and quantitative data analysis in a bid to generate as well as preserving value for organisations. This is essential for entity survival and growth especially in a dynamic economy. The primary task of management accounting is not only to provide information to management in order for them to execute their management functions, but it also serves the critical role of redesigning the accounting system. This in advertently means that it forms an integral part of the strategic process in the entire value creation exercise. Management Accountants’ roles have been amplified to those of business partners with more emphasis on strategic issues and thus operating as an internal management consultancy (Kaplan & Atkinson, 1998).

Evolution of management accounting

Traditional historians of accounting have a consensus that financial accounting arose before management accounting and lament that more importance was placed on financial accounting and its principles such as the double-entry principle which are more than three centuries older than any management accounting principle (Garrison & Noreen, 2000). The emphasis on financial accounting is a result of its stewardship role to owners of the business. Boer (2000) highlighted that in the 1950s management accounting was initially identified as cost accounting. It has been argued that cost accounting can be traced back as far as the 1600s. Boyns and Edwards (1997:3) reinforce this argument by affirming that cost accounting practices were applied by Staverly ironworks as far as 1690. Urwick and Brech (1948) further noted that the practices in cost accounting laid a broad foundation in the development of management accounting techniques.

The emergence of management accounting can be traced back to the early industrial revolution especially in the USA and UK textiles and railroads industry (Johnson, 1981:511; Al-khtater, 1999). In the same vein, Garner (1947:387), in concurrence with Kaplan and Atkinson (1998), also postulated that management accounting arose in the industrial revolution of the 19th century as enterprises industrialised and applied both pecuniary and non-pecuniary measures of efficiency. Moreover, in the same era, the multifarious metal-matching firms emerged, with their management placing more emphasis on the assessment and evaluation of efficiency and analysis of internal operational system (Scapens, 1991:12). According to Kaplan and Atkinson (1998), the duet of textiles and railroads industry during the industrial revolution contributed significantly to the development of management accounting. Textile mills established processes and procedures to trail their efficiency in fabrics production, whilst substantial capital in the construction of the tracks was needed in Railroads industry efficiency operational measures were inevitable. In the railway industry, new costing measures, such as the cost per kilogram per kilometre and the cost per traveller per kilometre were developed and these were successively used in other industries (Johnson, 1981:512; Kaplan & Atkinson, 1998).

In 1903, the management of the DuPont Power Company in the USA originated a new set of management accounting practices among was the Return on Investment (ROI). ROI was then implemented around the 1920s with other extensive MAPs that assured the survival of the company (Kaplan & Atkinson, 1998). However, during the period 1925-1950, slower progress was witnessed in the management accounting innovations (Johnson & Kaplan, 1987). Various studies were conducted between the 1950s and 1960s and highly industrialised management accounting techniques were developed during this era (Scapens, 1991:12). Throughout this era management accounting information was highly regarded for supporting and assured that financial reporting requirements were on time. In this era financial accounting became more prominent over management accounting as critics of management accounting highlighted that it is too expensive to run the two systems concurrently, hence, management accounting practices subservient financial accounting practices (Wavurut, 2010). There are several theoretical approaches to explicating the evolution of management accounting. Loft (1995:23) clearly elucidated on the history of management accounting with an unadorned description of various schools of thought.

Traditional view school of thought

The traditional school or approach views the origin of management accounting as a response to challenges that emanated from the period 1873 to 1896 great depression. Therefore, changes in management accounting is a result of the response to changes in the economic environment. The advocates of this approach claim that origin of management accounting is dated as far back as the late 1800 century, with best techniques for manufacturing entities being developed in the early 1900 century (Coombs, Hobbs & Jenkin, 2005). Proponents of the neo-classic approach contended that management accounting was first developed in the late sixteenth century (Loft, 1995:23). This school of thought is known for observing passively the management accounting techniques that were applied by entities for profit maximisation (Glaubica, 2012:23).
Relevance lost school of thought

The “relevance lost school of thought” which was the brainchild of Johnson and Kaplan attests that management accounting techniques that were developed in the early 1900s are no longer relevant for the late 1980s environment; hence, they have lost relevance (Johnson & Kaplan, 1987). These advocates of this school of thought argue that management accounting methods were developed to address various challenges that had originated in the business world. Therefore, it can be argued that nineteenth-century techniques cannot address current issues. This is due to the fact that issues and problems that emanated during the times when these techniques were developed have drastically changed. The challenges faced by entities in the modern business environment are more sophisticated compared to those of the nineteenth-century. Consequently, traditional MAPs have lost relevance in the contemporary world as they fail to supply the appropriate gen to management (Johnson & Kaplan, 1987).

Labour process school of thought

The labour process school of thought attests that the origin of management accounting is not linked to specific timeframes, rather it was an instrument developed to necessitate the exploitation of labour as a way of plummeting labour force powers to build empires for equity owners (Hopwood, 1987:210; Hoskin & Macve, 1988:217). However, other exponents of the labour process approach claim that management accounting was developed in the 1870s as they used semi-skilled employees through automation in the place of skilled employees so as to increase plant size, control labour and create economic value for the entity (Hopper, Storey & Wilmott, 1987:438). This approach is about processes on how labour is controlled as well as the applicability of effective manufacturing practices (Hopper et al., 1987:438; Hopwood, 1987:216).

IFAC management accounting evolution model

Several scholars have developed various approaches in a drive to analyse the evolution of management accounting. In 1998, International Federation of Accountants identified four fundamental stages that marked the evolution of management accounting as shown in figure 1 below.

Stage 1: Cost determination and financial control

The initial stage was identified as the period before 1950 “Cost determination and financial control”. This period was identified as the “technical” activity, more focus was directed on cost determination and setting of financial control processes. During this era, many entities were striving to have a strong economic position. Most entities thrived to accomplish this by broadening their market share through increasing international demand. They also focused on improving product quality as well as large-scale production. Hence, there was a need for the development of management accounting methods (Gliaubica, 2012:24). At this stage, various budgeting and cost accounting methods were developed.

Stage 2: Information for management planning and control

The second stage “Information for management planning and control” is the period 1950 - 1965. This era was known as the management activity era. During this period, more attention was placed on the provision of management accounting information for planning and control. Management controls had more emphasis in this stage as more attention was directed to the proper maintenance of production and internal administration. Management received support in decisions making using decision analysis and responsibility accounting that was developed during the era. Ashton, Hopper and Scapens. (1995) also cited that in the same era, management accounting control systems were reactive since they tended to be applied only in problem identification when and where there were adverse deviations from the business strategy.

Stage 3: Reduction of waste of resources in business processes

The third stage is the “Reduction of waste of resources in business processes” stage in the period from 1965 - 1985. This period was characterised by major global events such as the world economic downturn of the 1970s and the oil market price shock of 1973. Throughout this period there was increased global competition as countries like Japan progressed economically and brought vicissitudes into global trade. Intense global competition led companies to find new ways of improving on quality production and cost reduction using process analysis. During this era, various management accounting techniques such as the Theory of constraints, Benchmarking, Total Quality Management (TQM), Target costing and Activity-based costing were developed (Tuan-Mat, 2010).
Stage 4: Creation of value through effective resource

The fourth stage is the “Creation of value through effective resource” from 1985 - 2000. Throughout this era, advanced technological manufacturing processes influenced the creation of value for customers and shareholders as organisations found the traditional cost and management accounting methods failing to aid them in gaining a competitive edge (Ashton et al., 1995; Abdel-Kader & Luther, 2006:338). Techniques such as Just in Time (JIT), balanced scorecard, strategic management accounting and Activity-Based Costing (ABC) were introduced during this period (Kaplan & Norton, 1996; Tuan-Mat, 2010). One may therefore, argue that the model developed by the International Federation of Accountants (IFAC) in 1998 aids in systematically understanding the development of management accounting.

The Chartered Institute of Management Accountants (CIMA) has also played a major role in the development of management accounting, as they have taken a lead in research on the introduction of new management accounting methods. In the year 2011, CIMA and the American Institute of Certified Professional Accountants (AICPA) created a joint venture to improve the profile and the development of management accounting globally. In 2014 they developed the Global Management Accounting Principles (GMAPs) that were intended to be the chaperon for best practices in challenging decision making in Management Accounting (CIMA, 2015). AICPA and CIMA developed four GMAPs to ensure that MAPs are consistently used worldwide.

Effective application of the four principles rests upon the following three factors: i) understanding and appreciating the need for management accounting in order to achieve sustainable success, ii) use of appropriate tools and techniques which must be continually refined, and iii) diagnosis of the environment in order to identify areas for improvement (CIMA, 2015). These GMAPs ensure that MAPs are applied consistently following the given guidelines in order to achieve the desired yield. The idea being advanced here is that GMAPs are, to management accounting what accounting standards are to financial accounting. In this rapidly changing business environment, management accounting continues to develop as companies meet new problems that need to be solved (Atkinson, Balakrishnan, Booth, Cote, Groot, Malmi, Roberts, Uliana, & Wu, 1997:83). Fadaly (2008) embraced an identical thought, that changes in the organisation’s MAPs are influenced by the organisation’s external environment, thus, MAPs continue to evolve. In the evolution of management accounting, it is worth noting that practices that were applied in the previous stages are still used today. Chenhall and Langfield-Smith (1998:14) support this view as they asserted that traditional and contemporary MAPs accompany each other.

Empirical evidence on the use of MAPs

Numerous studies have been conducted on MAPs in various sizes of organisations thus, small-scale, medium-scale and large-scale entities (Drury, Braund, Osborne & Tayles, 1993; Chenhall & Langfield-Smith, 1998; Luther & Longden, 2001; Ahmad, 2012; Lorenz, 2015). Most of these researchers were motivated by the assertion made by Johnson and Kaplan (1987) who pointed out that management accounting has lost its relevance in the modern business environment. Whilst other scholars intended to narrow down volumes of critics asserted by the opponents of management accounting who claimed that, the field is just an over-exaggerated textbook depicted theory. The other verve that motivated other scholars was the ambiguity of the use of contemporary MAPs as well as the solutions they provide in a dynamic business environment. The following section will review MAPs in developed economies as well as in emerging economies.
Management accounting practices in developed countries

Many management accounting studies have been conducted in developed countries as compared to the emerging economies most probably because accounting practices are established mainly in developed countries. Adler, Everett, and Waldron (2000) carried out a study assessing the adoption of advanced MAPs among manufacturing businesses in New Zealand. The survey revealed that there is a low usage rate for advanced MAPs as many companies are using traditional MAPs. Drury et al. (1993) conducted a survey in the UK, exploring the use of MAPs by 303 manufacturing entities and they discovered that more than 67 per cent entities were using various MAPs. Their study also found out that there were variations in the understanding of various practices among respondents. Similarly, Gunasekaran, Marri and Grieve (1999) also carried a study in the UK and they discovered that MAPs play an important role in improving SME competitiveness. They further revealed that there is little attention paid by SMEs to the adoption of contemporary MAPs such as ABC. Abdel-Kader and Luther (2006) replicated Drury et al. (1993) and Gunasekaran et al.’s (1999) study on the use of MAPs in the UK but their study was based on 38 companies in the food and drink industry. They grouped MAPs into five different categories thus, costing system, budgeting system, performance measurement system and strategic analysis system. Their results showed that the usage rate of traditional MAPs is high as compared to contemporary MAPs. Although, the contemporary MAPs were considered to be highly valued as compared to the traditional MAPs, on the practice they were rarely applied. Furthermore, the study revealed that there was a substantial gap between theory and practice. A more recent study conducted by Lorenz (2015) analysing the use of contemporary MAPs in the UK service sector. The results showed that 73 per cent of the entities use traditional MAPs whilst 28 per cent apply the contemporary MAPs. This suggests that the use of MAPs also varies with the type of industry the entity operates in. Those in the manufacturing sector tend to adopt more of the contemporary MAPs as compared to those in the service sector. Bruggeman, Slagmulder and Waeytens (1996) investigated the application of MAPs as well the management accounting changes among entities in Belgium. They discovered that Belgian companies were applying more of the traditional MAPs with few contemporary MAPs. Wu, Boateng and Drury (2007) conducted a study analysing the implementation and perceived benefits of MAPs in Chinese state-owned enterprises and joint ventures. Their results revealed that these entities use MAPs; mostly target costing and budgeting systems and have more benefits for these entities, though with less perceived benefits on the use of decision support systems. In other countries like the USA, Japan, Canada and Australia previous studies reveal that there are high rates of adoption of both the traditional and the contemporary MAPs, though the traditional ones have a relatively higher rate (Yoshikawa, 1994; Chenhall & Langfield Smith, 1998:13).

Lucas et al. (2013) conducted a study on how MAPs can improve the performance of SMEs in the UK aiming to assess the general quality of management accounting and how management accounting division is resourced. They further examined the MAPs that are used or not used by SMEs as well as identifying areas of improvement on MAPs among SMEs in the contemporary environment. The study revealed that in small businesses where there is no internal accountant, the SME owner does everything whilst outsourcing accounting services for assistance on taxation and other statutory compliance issues. Whereas medium businesses have, in-house accountants though some of them have limited management accounting knowledge. In that regard, there is need for SME executives to consider empowering their accounting personnel or hire management accountants. The researchers further revealed that there is high adoption of traditional MAPs as compared to contemporary MAPs. Furthermore, Lucas et al. (2013) suggested that SME executives need to be assisted with a “basic MAPs toolkit for survival” to aid them in the exploitation of the benefits of MAPs in gaining a competitive edge. Moreover, they asserted that SME executives need to be educated on MAPs that are relevant for small-sized businesses and those that best fit medium-sized businesses. Yalcin (2012) carried an inter-country comparison study on the usage of MAPs and their benefits on firm performance in Turkey, Greece, Finland, India, Japan, and Australia. The study disclosed that all countries apply both traditional and contemporary MAPs, though the traditional ones have a higher usage rate as compared to the contemporary MAPs. Japan and Turkey were leading on the usage of contemporary MAPs with ABC costing and life cycle costing applied more often in the two countries. In Turkey, Özyürek and Yılmaz (2015) conducted a study on the usage of costing system in SMEs and they discovered that medium-sized entities apply ABC costing whilst small-sized entities use the traditional costing system. The main reason for not using ABC was due to lack of trained personnel in management accounting.

In the following year, Akmeşe and Bayraçoğlu (2016) carried a study on the application of MAPs in the fast-food industry in Turkey. Their results concurred with the finds of Özyürek and Yılmaz (2015) as they revealed that the traditional approach is mostly used, however, on the costing system they use ABC costing. The study further exposed that entities in the fast-food industry have adopted strategic management accounting practices mainly for assisting in administrative processes. These studies show that the use of MAPs in large entities is consistent with the literature, which states that large entities are higher users of MAPs (Reid & Smith, 2002; Lucas et al., 2013). In developed countries, the application of MAPs is significant, and this might be because these practices originate in these developed countries with Japan on the lead.

Management accounting practices in developing countries

Albu and Albu (2012) asserted that emerging economies have analogous economic characteristics and they have attracted the interest of investors as an attractive investment destination. Investors further needed to comprehend the degree of implementation of various
accounting practices used in developed countries, thus contributed to increasing the number of studies conducted in emerging economies. Empirical studies reveal that emerging economies have a fast-economic growth rate as compared to that of developed countries (Muriihi, 2017). In that regard, developing countries have allured attention over the last two decades on the research viewpoint. In the last decade research on management accounting proliferated in the developing countries as compared to the developed ones. Albu and Albu (2012) postulated that normally there are two veins on management accounting research in developing countries. One focuses on the extent of adoption of the traditional and contemporary MAPs in various countries and the other is on the impact of MAPs on organisational performance.

Oyegbba (2015) conducted a study on the adoption of MAPs among Nigerian Listed Companies. The study revealed that listed companies use both conventional and modern MAPs in their operations as they have a huge contribution in improving competitive advantage. Leftesi (2008) conducted a study in Libya, examining the diffusion of both traditional and contemporary Maps among medium and large entities. The study findings are consistent with the results obtained in developed countries were large entities are high adopters of MAPs as compared to medium entities. However, there are few MAPs applied in Libya as compared to techniques disclosed by management accounting books literature.

In Malaysia, Ahmad (2014) researched on the adoption of MAPs among SMEs; the study showed that SMEs widely used traditional MAPs including conventional budgeting, financial performance measures and traditional costing. The study also revealed that few medium-sized entities have adopted contemporary MAPs such as ABC, decision support analysis and strategic management accounting. It was furthermore found that contemporary budgeting system has a higher rate of adoption in medium-sized entities than in small firms. This is because medium-sized firms have more experienced well-trained personnel and more complex operations compared to small firms. In 2017, Ahmad did a follow-up study assessing the application of MAPs as well as its relationship to performance among Malaysian SMEs. The findings were similar to the 2014 outcomes though in the 2017 study there was an upsurge on the use of MAPs by SMEs as compared to 2014. The study also revealed that MAPs are significantly related to firm performance. The increase in the uptake of MAPs positively influence the financial performance of the entity, so those entities striving to create and sustain competitive advantage should intensify the usage of MAPs (Ahmad, 2017).

Maduekwe and Kamala (2016) examined the use of budgets by SMEs in Cape Metropolis in South Africa. The study revealed that most of the SMEs used budgets for planning, monitoring, controlling and measuring business performance. The findings also showed that the hindrance to effectively use budgeting systems among SMEs was because of the lack of support and appreciation by top management and lack of trained personnel in management accounting. Their results also revealed that most SMEs use conventional budgeting system as compared to contemporary budgeting system. The low uptake on the use of contemporary budgeting system was because accounting staff lacked training; hence, trainings that are more comprehensive are essential for the successful implementation of contemporary budgeting system. Mulani, Chi and Yang (2015) carried a study on 268 SMEs in India exploring the effect of budgeting on performance. Their findings are concurring with those of Maduekwe and Kamala (2016) as they showed that SMEs are using traditional budgeting system. This was because of lack of financial modelling software, as they were deemed costly to the organisation as well as the high employee training costs attached to the use of contemporary budgeting system. They further revealed that traditional budgeting system has a positive impact whilst the contemporary budgeting system has a negative impact on sales growth.

In Zimbabwe, Edson, Manuere and Devine (2016) conducted a study analysing management accounting information as a tool for improving the performance of SMEs in the tourism sector. The study revealed that management accounting information significantly improves the performance of SMEs. However, they did not disclose the level of MAPs adoption among SMEs in the tourism sector in Zimbabwe. Dlamini (2020) conducted an exploratory study on understanding the implementation of MAPs among large manufacturing entities in Zimbabwe. According to the study, large entities apply more traditional and few contemporary MAPs such as ABC costing, part of just in time and strategic management accounting. Prior studies in both developed and developing countries unanimously reveal that traditional MAPs are broadly applied with a low level of contemporary MAPs even though they are deemed to be very relevant in the modern business environment.

Conclusions

This paper discoursed on the origins and the evolution of management accounting. The study revealed that the origin of management accounting stretches back to the 1900s and it was initially identified as cost accounting. Management accounting has its roots in cost accounting principles which originated before the 1600s. The model that was developed by IFAC depicts that the development of management accounting has four stages, thus “costs determination and financial control, information for management planning and control, reduction in waste of resources in business processes and creation of value through effective resource use. The review of literature revealed that MAPs continue to evolve. Changes in the organisation’s use of MAPs is influenced by the organisation’s external environment. Traditional and contemporary MAPs complement each other, MAPs that were used in the early 1900s are still applicable even today.

The study also revealed that management accounting continues to develop as companies meet new problems that need to be solved. The “loss of relevance of management accounting” school of thought was dismissed by empirical literature. It was exposed that most organisations apply the traditional MAPs as compared to the modern MAPs in both developed and developing countries. The study
also noted that developed countries apply more contemporary MAPs as compared to emerging economies. This was due to the fact that these practices originate in developed countries with Japan on the lead. Future studies should assess the level of adoption of MAPs on a country-by-country analysis. Furthermore, there is a need to assess the opportunities and challenges related to the application of MAPs in differently sized organisations. Another issue that should be considered for future research is the impact of the COVID-19 pandemic on the application of MAPs.

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