

Overcoming Management Accounting Myopia: Broadening the Strategic Focus

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ABSTRACT

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Purpose

This paper argues that currently management accounting is simply too narrow and proposes how to broaden its scope to make it more relevant and useful.

Methodology/approach

The approach is to provide a critique of the extent to which management accounting sufficiently deals with three primary areas that classic management accounting has been myopic about at least to some extent: Organizational control, Organizational measurement, and Intellectual assets.

Findings

The paper argues that management accounting has not taken a “deep dive” into these areas and has placed itself at risk of being marginalized. It presents potential frameworks and tools of organizational control, organizational measurement, and intellectual assets as “add-ons” to management accounting to increase its relevance and utility.

Research Implications

The paper shows how management accounting must be broadened to include all organizational measurement and accountability for planning and control.

Practical Implications

The paper describes several global applications of the proposed revised frameworks, methodologies, and tools presented as potential add-ons to management accounting. These applications demonstrate the feasibility, utility, and generalizability of the broader management accounting "tool box" presented.

Originality/value

The paper proposes a revised paradigm for management accounting. This paradigm is original and its value is in serving as a catalyst for academics as well as practitioners to rethink and broaden the current paradigm of management accounting in order to be more relevant and useful. It provides a potential new set of tools for management accounting.

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