



Cost Management Accounting in Businesses: A Systematic Review

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ABSTRACT:

Management accounting for cost control is a significant source of cost information that enables managers to perform management functions comprehensively. Decision-making information is what management accounting provides for cost control. The purpose of this study is to systematize previous studies on management accounting for cost control in enterprises and to count and evaluate, according to the authors, the most influential research articles in the study of management accounting for cost control in enterprises. The research data were collected and analyzed from Google Scholar data using VOSviewer software version 1.6.19 with 500 articles for the keyword "management accounting for cost control" filtered in the abstract. The results show that research on management accounting for cost control over the past 10 years has always been a topic of interest and investigation for researchers. The study also identifies the most influential authors based on the number of articles and citations. The research results have contributed to synthesizing a system of research documents on management accounting for cost control.

Keywords: management accounting for cost control, VOSviewer

1. Introduction

Duci, E. (2021) researched about the relationship between management accounting, strategic management accounting and strategic cost management. The object of the paper is to study the relationship between management accounting, strategic management accounting and strategic cost management. The Aim is to define each of them based on a systematic literature review of different accounting literatures in strategic management accounting, to emphasize the relation between them. The paper attempts to offer definitions of Strategic cost management based on different authors throw the years and also to reveal a relationship that exists between Strategic Management Accounting and other disciplines. The enduring value of contextual view of management accounting and its content emphasizes power and relationship between Management Accounting, Strategic Management Accounting and Strategic Cost Management. The methodology used for this paper is descriptive and comparative based on a systematic literature review from different books and journals, especially Scopus indexed journals taken by Elsevier, emerald insight and other trustable library sources. The paper explores a comparative analysis between management accounting and strategic management accounting. Practical limitations of this paper have been mainly focused on having access to Scopus indexed journals. Also, another limitation encountered is related with electronic library which in our country is very difficult and even impossible to have free access in reading and downloading related papers. The intention was to identify similarities and differences between Strategic Management Accounting and Strategic Cost Management and also the relationship that exists between them. The paper concluded that Strategic management has as its primary goal the efficient use of all resources while focusing on the competitive advantage of an organization. Hence, SMA could be considered as an integral part of the strategic management; an interaction of the management and the SMA techniques is important for the more efficient management of an entity.

Sulanjaku, M., & Shingjergji, A. (2015) researched about strategic cost management accounting instruments and their usage in albanian companies. With the entry of the 20th century and the introduction of new economical and technological realities the way of making business was radically transformed. The barriers of communication and geographical distances that previously protected the domestic market dissolved leading to a unified global market. In these conditions, where the global market is becoming a single market without barriers or frontiers the competition among the companies for surviving is at highest levels. To be able to stand the competition now the companies need more complete and sophisticated information to accomplish long-time strategic goals. The traditional management accounting is focused more in the company's costs occurring in activities like marketing, design, assembly, QC inspection, production, distribution, warranty costs etc. As the companies are now considered not a separate unit, but is an integrated part of the global market supply chain, its responsibilities are wider and deeper. In this new reality they have to consider the external costs too like user's costs like life-cycle costs, transportation, maintenance and environmental costs too. With the sophistication of the information required by the managers the traditional cost management account evolved into strategic cost management (SCM) which includes external information and cost drivers as well the processing of the non-financial information. As the study area of SCM is very wide there is a debate regarding the types of instruments and their usage. The aim of this study is to analyze the appliance of the SCM by Albanian businesses and to identify the most used SCM accounting instruments. The methodology used in the preparation of this paper will be the utilization of a wide range of literature and the usage of interviews and questionnaires to the target group.

McLellan, J. D. (2014) researched about management accounting theory and practice: Measuring the gap in United States businesses. The aim of this paper is to describe the historical origin and development of cost and management accounting. This study has successfully linked the modern management accounting systems to the past to ensure a better understanding. It was gathered that the existence of cost accounting as one of the oldest managerial tools dates back to the ancient times. The formal beginning of cost and management accounting is ascribed to the industrial revolution of the nineteenth century which was characterized by the emergence of large business enterprises. The nineteenth century, according to Parker (1969) is regarded by accounting historians as the "costing renaissance" during which important developments in cost and management accounting took place and most of the methods that are in use today appeared in manufacturing companies.

Therefore, this study helps readers grasp the development and quality of information about management accounting for cost control through the frequency of keyword usage, the number of citations, and the number of times authors are cited over time. At the same time, it helps future researchers to know the trend of this topic over time.

2. Management accounting for cost control

The nature of management accounting for cost control

Pham Thi Thuy (2007) defines management accounting for cost control (MACC) as a part of management accounting (MA) that provides cost information to support organizations in performing the management function of resource consumption factors for activities in order to develop plans, control, evaluate activities, and make appropriate decisions. Sharing the above viewpoint, Nguyen Thi Mai Anh (2014) stated that management accounting for cost control is a part of MA that processes and provides cost information for managers to perform their functions. Ho My Hanh (2013) argued that management accounting for cost control is the collection of cost data and the processing of this data in a sequence to provide cost information for the purpose of developing cost plans, controlling costs, and thereby evaluating activities and making management decisions. According to Dao Thuy Ha (2015), management accounting for cost control information is a tool for planning, and cost data is the basis for making strategic decisions, which include pricing policies, product structure, machinery and equipment purchases, and the elimination of non-value-added activities.

Drury (2004) says that cost accounting provides information to determine the value of inventory, determine the cost of goods sold, etc. for the purpose of preparing financial statements, and provides information for managers to plan, control, and evaluate the effectiveness of business operations.

Thus, according to the author's point of view, management accounting for cost control is a part of MA, or the intersection between MA and cost accounting. Management accounting for cost control provides cost information for the purpose of serving business management. So, management accounting for cost control combines the technical aspects of cost accounting with management techniques to make sure that managers get the cost information they need without having to worry about whether it follows generally accepted accounting principles (GAAP). Transactions reflected in management accounting for cost control are not only transactions measured in money but also non-monetary transactions, reflecting not only the quantitative aspect but also the qualitative aspect, time, and satisfaction. The use of multiple metrics to measure costs makes the cost information reflected comprehensive, multi-dimensional, and suitable for the diverse information needs of managers.

With the above analysis, the author argues that management accounting for cost control is a part of management accounting that provides cost information to serve the needs of business management.

The role of management accounting in cost control

Drury (2004), cost accounting generates information to meet the following: First, to allocate costs between the cost of goods sold and inventory for internal purposes and external profit reporting; second, to provide relevant information to help managers make better decisions; and third, to provide relevant information for planning, controlling, and measuring performance. Therefore, according to Drury's point of view, the second and third requirements are to provide cost information to serve the needs of business management. According to Garrison and colleagues (2010), the role of management accounting is to support decision-making, planning, and control processes in an organization.

The author argues that the role of management accounting for cost control includes providing cost information to help managers make business decisions and providing cost information related to planning, controlling, and measuring business performance.

The role of "Providing cost information to help managers make business decisions" is related to decision-making. Accurate cost information is essential for decision-making because inaccurate costs can lead to poor decisions, such as continuing to produce unprofitable products. Inaccurate information can be sufficient to measure profit for a business because costs are allocated between inventory and the cost of goods sold at an aggregate level rather than at the specific product level.

The second role of management accounting for cost control is to provide cost information related to planning, controlling, and measuring performance. According to Ho My Hanh (2013), management accounting for cost control is the collection of cost data and the processing of this data in a sequence to provide cost information for the purpose of developing cost plans, controlling costs, and thereby evaluating activities and making management decisions. Management accounting for cost control information is a tool for planning, and cost data is the basis for making strategic decisions, which include pricing policies, product structure, machinery and equipment purchases, and the elimination of non-value-added activities. Depending on the purpose of using the information, management accounting for cost control will design and provide different types of information.

With the above analysis, the author argues that management accounting for cost control provides cost information to serve business management and that management accounting for cost control plays an important role in controlling costs and measuring performance.

3. Research method

The author synthesizes previously published overview documents related to management accounting for cost control from data sources on Google Scholar. Overview studies will aim to explain the urgency of the study and indicate gaps in the research.

The author uses VOSviewer software version 1.6.19 to filter data with the keyword "management accounting for cost control" filtered in the abstract of the Google Scholar database, accessed on December 30, 2023. The results yielded 459 related articles in the selected category from 500 articles. The collected data is used to analyze and answer the following research questions:

Q1: Research on management accounting for cost control from 2014 to December 2023

Q2: The most influential authors in terms of the number of articles and the number of citations in publications on management accounting for cost control in enterprises

Q3: Which keywords are grouped into which topics?

4. Results

Statistics of publications on management accounting for cost control

From 2014 to 2023, the group of authors searched under the condition of a maximum of 500 articles, and there were 459 articles on management accounting for cost control indexed in Google Scholar. The authors excluded articles that were books and citations. An average of 49.1 articles were published each year. This shows that the issue of management accounting for cost control is still a concern for researchers today.

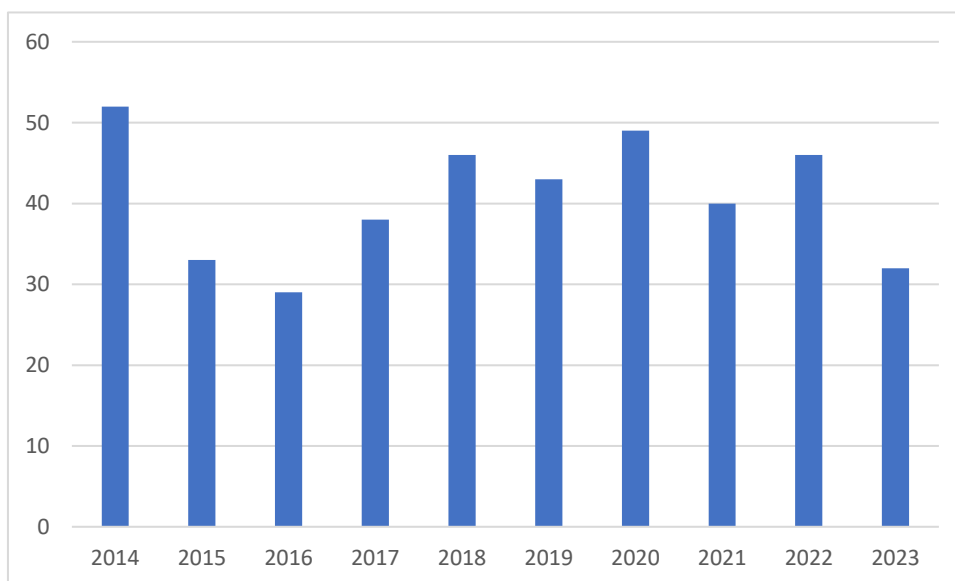


Figure 1. Graph of the number of studies over the years

Statistics on the most influential authors in the study of management accounting for cost control

To assess the most influential authors in the study of management accounting for cost control, we consider the number of citations of the article (Table 1), the number of articles by the authors (Table 3, Figure 2), and the number of citations by the author (Table 3).

Highest citation by document

Table 1 shows the number of citations in the article by the group of authors: RA Lawson, EJ Blocher, PC Brewer... (2014) "Focusing accounting curricula on students' long-run careers: Recommendations for an integrated competency-based framework for accounting education" has the highest number of citations (382 times), followed by N Gunarathne and KH Lee (2015) "Environmental Management Accounting (EMA) for Environmental Management and Organizational Change: An Eco-Control Approach" with 162 citations. T. Hiromoto (2019), "Restoring the Relevance of Management Accounting," has been cited 89 times. The remaining articles have all been cited more than 60 times.

Table 1. Frequency of the highest citation by documents

Documents	Cites
RA Lawson, EJ Blocher, PC Brewer... (2014)	382
N Gunarathne, KH Lee (2015)	162
T Hiromoto (2019)	125
GS Klychova, AR Zakirova, ZR Zakirov... (2015)	91
V Mistry, U Sharma, M Low (2014)	89
M Intiaz Ferdous, CA Adams, G Boyce (2019)	80
JF Henri, O Boiral, MJ Roy (2014)	80
S Cadez, C Guilding (2017)	79
M Carlsson-Wall, K Kraus, J Lind (2015)	78
P Novák, B Popesko (2014)	73
C Doktoralina, A Apollo (2019)	70
KM Soderstrom, NS Soderstrom... (2017)	67
TN Phan, K Baird, S Su (2017)	64
SW Anderson, HC Dekker (2014)	63
TN Phan, K Baird, S Su (2018)	61

(Source: Authors compiled from VOSviewer software)

We have selected the authors with the most citations (Table 2). RA Lawson, EJ Blocher, PC Brewer... is the group of authors with the most citations in the year, with 38.2 times, followed by T Hiromoto with 25 citations and N Gunarathne and KH Lee with 18 citations. The remaining authors have more than 9 citations.

Table 2. Frequency of the highest citations by authors per year

Authors	CitesPerYear
RA Lawson, EJ Blocher, PC Brewer...	38.2
T Hiromoto	25
N Gunarathne, KH Lee	18
M Intiaz Ferdous, CA Adams, G Boyce	16
C Doktoralina, A Apollo	14
N Kostić, T Sedej	11.5
A Caglio, A Ditillo	11.33
S Cadez, C Guilding	11.29
TT Le, TMA Nguyen, TTH Phan	10.4
TN Phan, K Baird, S Su	10.17
GS Klychova, AR Zakirova, ZR Zakirov...	10.11
OO Iredele, M Tankiso...	9.75
KM Soderstrom, NS Soderstrom...	9.57
TN Phan, K Baird, S Su	9.14
J Vale, J Amaral, L Abrantes, C Leal, R Silva	9
TKA Vu, BH Dam, TTV Ha	9

(Source: Authors compiled from VOSviewer software)

The highest documents by authors

Table 3. Frequency of the highest documents by authors

Selected	Author	Documents
<input checked="" type="checkbox"/>	gunarathne, n	3
<input checked="" type="checkbox"/>	le, tt	5
<input checked="" type="checkbox"/>	moore, l	3
<input checked="" type="checkbox"/>	nguyen, t	3
<input checked="" type="checkbox"/>	novák, p	4
<input checked="" type="checkbox"/>	puspitawati, l	3
<input checked="" type="checkbox"/>	soa, n la	4
<input checked="" type="checkbox"/>	suomala, p	3

(Source: Authors compiled from VOSviewer software)

Statistics show that the authors with the most articles on management accounting for cost control are Le.TT. with 5 articles; Novak.P. and Soa.N. with 4 articles; and other authors with 3 articles.

Co-author analysis

To investigate the trend of cooperation in research on management accounting for cost control, this study conducted an analysis of the co-authorship relationship between individual authors. According to Benoit and colleagues (2018), the results of the analysis help to improve understanding of research collaboration and also help to identify influential researchers. Figure 1 presents a map of the co-authorship network. The link between two nodes represents the collaborative relationship between two authors, and the thickness of the link represents the intensity of the collaboration. The group of authors who collaborate most closely are the authors shown in the figure below. This is a group that has jointly published many articles over many years.

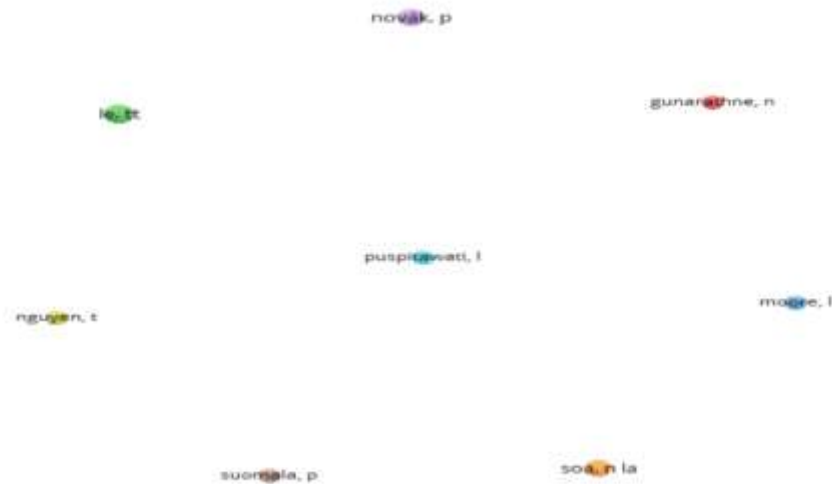


Figure 2: Co-authorship analysis

Keyword analysis results

In the keyword analysis section, the study selects keywords that appear 15 times or more. The results yielded 19 keywords. Based on the quantity of occurrences and the total link strength, the software evaluates the keywords. The results of the keyword analysis can be exported as an image file. The result of the keyword analysis is as follows:

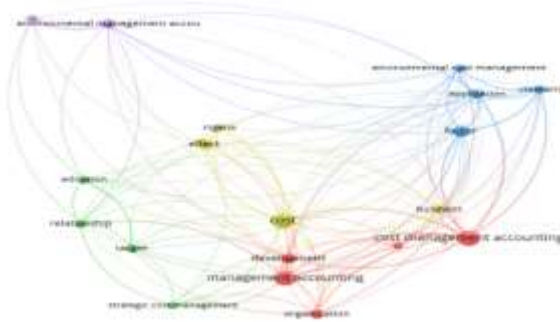


Figure 3. Co-occurrence networks

Related keywords are grouped into groups, each with a distinct color. Looking at the image, it can be seen that the keywords are divided into five groups. Group 1 is represented by the red links, which are combined by 5 keywords including management accounting, cost management accounting, organization, development, and case, with the central keyword being "cost management accounting" with 17 links and a total link strength of 165. This keyword appears 100 times. Group 2 is represented by the green links, which are combined by 4 keywords: strategic cost management, target, relationship, and adoption, with the central keyword being "relationship" with 13 links and a total link strength of 65 and appearing 26 times. Group 3 is represented by the blue links, which include 4 keywords: factor, application, environmental cost management, and Vietnam, with the central keyword being "factor" with 16 links and a total link strength of 126, appearing 55 times. Group 4 is represented by the yellow links, which include 4 keywords: cost, business, effect, and Nigeria, with the central keyword being "cost" with 17 links and a total link strength of 128, appearing 100 times. Group 5 is represented by the purple links, which include 2 keywords: cost, business, effect, and Nigeria, with the central keyword being "cost" with 17 links and a total link strength of 128, appearing 100 times.

With 5 research directions and 19 common keywords, the results provide an overview of the issue of management accounting for cost control. Future research can be based on this to choose a research direction to fill the gap or analyze deeper.

4. Conclusion

In this study, we conducted a systematic review of studies on management accounting for cost control indexed in the Google Scholar database. These studies were published in the last 10 years, from 2014 to 2023, to provide detailed information on the number of publications, the frequency of citations by authors, citations of studies, keyword networks, etc. The research results have contributed to the general theoretical basis, providing a basis for reference studies on management accounting for cost control. Data collected from richer sources such as Scopus and OpenAlex are also suggestions for further research in the future.

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