

## Strategic Management Accounting "What happened to you"

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### **Abstract :**

The purpose of this paper is to find out that the concept of Strategic Management Accounting until now does not meet the expectations and do not have a significant influence for supporters, then that becomes the center of attention Strategic Management Accounting is the direction of future research is similar in concept. It is evident from the many writers who called for new research that aims to fill the gaps and empty spaces in the concept and development. Thus, it was concluded that the development of Strategic Management Accounting in konsep can be said to be a paradox only because of the lack of empirical investigation. Through basic research approaches, it is clear that the term Strategic Management Accounting has many different interpretations, depending on the researcher, scientific background, underlying assumptions, and the starting point from which to see it. After thirty years of research and literature that developed the concept of Strategic Management Accounting, even it is still lacking in many areas of development. The concept itself is still unclear that has produced many different conceptual approaches in research and direction, although simple in concept and concept adopted techniques including practice.

**Keyword:** Strategic Management Accounting, Concepts and Research Directions

### **Introduction**

According to Burns and Nixon (2009: 222) explains that one of the challenges for managers, consultants and researchers in aligning management activities while supporting the company's strategy is to align strategies in management accounting. Meanwhile, according to Brouthers and Roozen (1999: 311) explains that the research carried back Dimnik and Kudar (1989) states that a series of studies that have been done which reaches 8-30% result voiced dissatisfaction with the manager of the accounting system used at the time. But on the other hand because of the importance of accounting information in the development of strategy, in which the implementation of the strategy and strategic change process is also important to be strategic accounting issues that must be addressed. Further according Cadez and guilding (2008: 836) states that during the period 1980 to 1990 has been published widely on conventional management accounting practices and also events that illustrate many voices criticized for having sparked a surge of interest in strategic management accounting or Strategic Management Accounting as an approach that attempts to provide a more strategic role for management accounting.

Further according Roslender and Hart (2003: 256) states that the term "strategic" is intended to convey that the Strategic Management Accounting is included in the long-term outlook and a broader understanding of management accounting. Next by Shah et. al, (2011: 3) states that the Strategic Management Accounting launched and developed by scholars accounting as a new concept of discipline, which is intended to be the flagship of the accounting profession, with a greater focus than business comparison with its competitors. Meanwhile, according to Simmonds (1981) and Bromwich (1990) explains that the Strategic Management Accounting is something that allows management to have a broader view of the eyes of the competitors on the procedures and techniques used in the subsequent business decisions and strategic fit. Meanwhile, according to Smith (2005) which states that saw the development of Strategic Management Accounting as a threat to conventional management accounting for Strategic Management Accounting broader in scope and more focused both internally and externally so be overlap between these two disciplines. Furthermore Hoffjan and Wompener. (2006: 255) indicates that the Strategic Management Accounting criticized for not more than an approach to increase the importance of management accountants in improving the attractiveness of the profession to include strategic tasks. Next by Wilson and Chua (1993) stated that in this case the most important to make a clear distinction between management accounting and Strategic Management Accounting to be presented in the table below:

**Table 1 Basic Differences Between Traditional Management Accounting With Strategic Management Accounting**

<b>Traditional Management Accounting</b>	<b>Strategic Management Accounting</b>
Historical	Prospective
Single entity	Relative
Introspective	Out-ward looking
Manufacturing focus	Competitive focus
Existing activities	Possibilities
Reactive	Proactive
Programmed	Unprogrammed
Orientation Data	Information oriented
Based on existing system	Unconstrained by existing systems
Built on conventions	Ignores conventions

Source: Wilson dan Chua (1993:5)

Since the emergence of some of the approaches above, substantially Strategic Management Accounting began to be felt its development, but until now there is no accepted definition and commonly understood of Strategic Management Accounting itself because empirical studies of the Strategic Management Accounting relatively rare, especially oriented towards the implementation of techniques and use of Strategic Management Accounting in the company. While in this sense Cadez and guilding (2008: 837) states among other things that a). Still limited understanding of what is meant by "strategic management accounting" and b). Although considerable attention to the Strategic Management Accounting, but on the other hand has a shortage of Strategic Management Accounting based on the scarcity of empirical research that focuses primarily on the study of the level of use of the technique Strategic Management Accounting. Further according Langfield (2008) suggests that although many are enthusiastic about the development of the Strategic Management Accounting including some influential supporters, but the progress of the concept is still difficult to assert that there are similarities early for a concept, especially the concept of Strategic Management Accounting. It can be concluded that the development of Strategic Management Accounting in konsep can be said just as paradoxical course this is due to the lack of empirical investigation of the concept.

## Discussion

### Defining Strategic Management Accounting (SMA)

According Simmonds (1981) who states that he who first mentions Strategic Management Accounting and provide an introduction to the literature the term of the Strategic Management Accounting created and defined that the Strategic Management Accounting as a provider of data and analysis of accounting and business management on competition that is used in developing and monitor the business strategy, particularly with regard to the level and trend in particular regarding the real cost, price, volume, market share, cash flow and proportion and the resources required in total by the company. According Simmonds "Strategic Management Accounting definitions can be generally defined as a generic approach that tries to connect accounting and strategic management and strategic positioning of the company. Meanwhile, according to Ward (1992) stated that the Strategic Management Accounting as accounting for strategic management. Furthermore, according Riahi (1992) argued that the concept of Strategic Management Accounting, accounting requires management to focus on performance measurement using tactical rather than strategic indicators.

According to Bromwich (1990) stated that the Strategic Management Accounting difference lies in the focus of providing relevant information to evaluate a company's competitive position in the industry, with an emphasis on customers and competitors as an external object of analysis of management accounting. Furthermore Bromwich (1990: 28) defines that the Strategic Management Accounting as a provider of financial information and analysis (product) market companies, the cost of competitors, cost structure and monitoring corporate strategy of the competitors in the market during this time period. Meanwhile, according Tayles (2011) states that the accounting information to support the Strategic Management Accounting primarily related to management accounting techniques which have a strategic perspective. From the above it can be concluded that the opinion of Strategic Management Accounting can be identified as a general approach to accounting for its strategic position, set in order to integrate the insights between management accounting and marketing management within the framework of strategic management. Based on these definitions above, it can be said that the Strategic Management Accounting literature has undergone several different directions development include: 1). According to Palmer, et.al (2012: 245) states that the Strategic Management Accounting literature divides into two main research traditions, among others: a). Research that uses labels Strategic Management Accounting to

investigate strategic-oriented management accounting and b) research examining the relationship between strategy with management control systems (MCS).

More real than the relevant literature there are two main approaches in conceptual Strategic Management Accounting which can be distinguished as follows: a). The approach taken Simmonds (1981) Strategic Management Accounting is the approach that is more focused on cost management required to support the strategy of lower prices and competitive (Shank, 1989; Bromwich, 1990; Cooper, 1995, 1996a, 1996 b), the study focuses on the development, design and innovation required to obtain minimum prices through product differentiation (Porter, 1980: 236). In this approach Simmonds stated that sustainable competitiveness is the result of an organization where the ability to continue to move against its main competitors and thus there is a need to obtain financial information about its competitors. b). Approach Bromwich (1990), namely Strategic Management Accounting Approach is based on the attributes of the cost of engineering, where the goal attribute costs are the cost benefits that provide products for customers, as opposed to activity-based costing reasoning (Simmonds cost management approach) where it is cost consuming activity in product which can be seen to drive the cost of the product. Bromwich (2001: 55) saw Strategic Management Accounting as something that can transcend and collect data about the business and their competitors, considering the benefits that the product offered to customers, and how these benefits contribute to build and maintain a competitive advantage.

From the definition expressed through basic research approaches, it is clear that the term Strategic Management Accounting has many different interpretations, depending on the research, scientific background, underlying assumptions, and the starting point from which to see it. Since Simmonds defines the concept and do an introduction to relevant literature more than 30 years ago, but still little or no agreement on what and bagamana Strategic Management Accounting itself. According Langfield (2008: 229) emphasizes that the Strategic Management Accounting at the "external orientation", both of which put forward by researchers directly related to it, but it can be interpreted in different ways and there is no clear definition in the literature. Meanwhile, according Roslender and Hart (2003: 255) states that the term itself is open to some interpretation because it is a variety of research associated with it, in which some researchers emphasize the Strategic Management Accounting accounting to marketing, while others are more focused on relations strategy. Also according Cadez and Guilding (2008: 838) says that some researchers see Strategic Management Accounting as something consisting of sets of strategically oriented techniques for accountants, while others looked Strategic Management Accounting, involving accountants in strategic companies in the process of making decision.

Furthermore, according to Ma and Tayles (2009: 474) suggests the existence of differences regarding the definition of the term is regarded as something unusual and a bit different, but mostly be overlap and become a phenomenon, including accounting for strategic positions expressed Simmonds , (1986), strategic cost management (SCM) Shank, (1989) and Strategic Management Accounting proposed by Bromwich, (1990); Guilding et al., (2000). Thus according Tayles (2011: 27) concluded that because there is no agreement on the conceptual framework of a general nature regarding the term Strategic Management Accounting so that understanding only rotates in a narrow definition of the Strategic Management Accounting just as techniques and focusing on competitors, parallel to ABC target Costing and Balanced Scorecard, while according Guilding et al, (2000), Tayles et al, (2002), and Bjoornenak and Olson, (1999) stated that the definition of Strategic Management Accounting is an accounting management strategies in the characteristics and embrace all management accounting techniques with a clear strategic focus.

### **Strategic Management Accounting Research Directions**

After finding out that the concept of Strategic Management Accounting until now does not meet the expectations and did not have a significant influence for supporters, then that becomes the center of attention Strategic Management Accounting is the direction of future research is similar in concept. It is evident from the many writers who called for new research that aims to fill the gaps and empty spaces in the concept and development. One of the most influential concepts in this way is the "paradox of Strategic Management Accounting" Nixon and Burns (2012: 225) states that they have a reason for the need for a special edition of the Strategic Management Accounting with some major drawbacks Strategic Management Accounting are as follows: a). Further development and thrive on research that is labeled "strategy as practice" which focuses on the nature of the strategies that have Strategic Management Accounting techniques which are intended to support and sought how they are developed and implemented, by whom, and to whom, as opposed to research Empirical about Strategic Management Accounting so dominant research focuses only on the adoption and implementation of Strategic Management Accounting techniques, b). Pursue a broader dimension of Strategic Management Accounting as a fairly narrow reciprocal to the formal aspects of the analysis of Strategic Management Accounting is so focused on strategic research, c). Tackling the problem of focusing on Strategic Management

Accounting and Strategic Management Accounting technique where it has not been adopted widely and there is no term that is widely understood or used Langfield, (2008).

Meanwhile, according Hoffjan, and Wömpener (2006) states that in conducting comparative analysis where the Strategic Management Accounting in both Germany and in the UK through a common management accounting textbooks have not yet reached the same conclusion it is to be stated also by Nixon and Burns (2012). Further according Soljakova (2012: 32) states that it seems almost all the authors examine the concept of Strategic Management Accounting therefore the results of these studies less or only emphasizes the success or adoption of Strategic Management Accounting course as a major problem in the concept, which is caused by not accepted common and accepted from the definition, the method is not clear, Strategic Management Accounting techniques and the lack of management accounting skills to meet the requirements of the Strategic Management Accounting.

Furthermore, according to Tillman and Goddard (2008: 44) emphasizes the issue of Strategic Management Accounting includes: 1). Performers organization within the company to even understand the term "strategic" to be very different, thus contributing confused about what that might mean in Strategic Management Accounting 2). Normatively Strategic Management Accounting tends to portray an idealistic about what and how the Strategic Management Accounting to be done, so it does not fully take the existing rules of the organization. Further definition of the desired management accountant is extensive professional skills, which not only can know accounting or management accounting techniques, but also more broadly knowledge.

Next according to Palmer et.al (2012: 247) suggests that there are two major limitations of Strategic Management Accounting, namely: (1) research mostly focused on the investigation of the level of use and the factors that influence the use of which means that there is another dimension that can be observed mainly on how the Strategic Management Accounting practices are implemented and used in business practices. Furthermore, according to Tillman and Goddard (2008), Brouthers and Roozen (1999) explains that in these studies have overlooked about the essential characteristics of the public sector but increasingly concerned with issues of strategy and accounting. It is important to agree and ideas presented by Langfield (2008) and Dixon (2008: 47). where they conclude that the need for further investigation of the extent to which method or technique used in practice and how they arise and undergo a process of change at the time of adoption.

Furthermore, according to Burns and Nixon (2009: 222) states that the possibility of the future direction of Strategic Management Accounting in research, can be identified where the most comprehensive of Strategic Management Accounting in the direction of future research can be described further in strategic management accounting. According to Burns and Nixon (2009: 222), emphasizing that to follow the direction of Strategic Management Accounting research focused on the relationship between Strategic Management Accounting and strategic management literature that includes: 1). Study cases and research into action and the design of the Strategic Management Accounting and its use, especially in cases that exemplify a particular conceptual perspective, b). How Strategic Management Accounting can integrate and strengthen related activities such as cost, value and risk management, management control and performance measurement, c). Strategic Management Accounting can be implemented in the environment by means of repeated or discontinuity with the existing changes, d). Strategic Management Accounting support the knowledge-based view of strategy, e). The use of a prospective study is a research study in which these characteristics are monitored or followed up for a period of time, in which the events recorded as they occurred simultaneously with the retrospective study is a study based on reverse search until the time the event occurred in the past. Contrast with prospective studies of Strategic Management Accounting to formulate and implement strategies, f). Strategic Management Accounting and evolution strategy as a business portfolio to portfolio capabilities and, recently, with a portfolio of relationships, g). Strategy implementation gaps affecting Strategic Management Accounting, h). Strategic Management Accounting and new software systems and support Strategic Management Accounting for management to simultaneously deliver dual strategy and everything listed above is the future research directions are desired, taken from the literature Strategic Management Accounting recently are quite relevant, the shows that the concept of research there is a lot of work to do in order to position themselves Strategic Management Accounting and developed in the field of study.

## Conclusion

After thirty years of research and literature that developed the concept of Strategic Management Accounting, even it is still lacking in many areas of development. The concept itself is still unclear that has produced many different conceptual approaches in research and direction, although simple in concept and concept adopted techniques including practice. This deficiency often causes us a little difficult to conclude that the concept

becomes not meet expectations, which is caused by the authors at the beginning of its emergence as Simmonds, Bromwich and others. On the other hand, given that the Strategic Management Accounting is highly dependent and closely related to the strategic management literature because of its dynamics and multiple interpretations, so that continues to change in each study, in order to understand that the concept of equating a clear definition and a more or less clear in every unit research analysis. All this shows that the concept of Strategic Management Accounting is still far from the line set so that any necessary research done linking strategy, accounting to marketing. In this case, Nixon and burns (2012: 240) concluded that the main stream of research Strategic Management Accounting for the future direction should be directed to: a). The gap between the Strategic Management Accounting with the strategic management literature, b). Doing exercises, c). Strategic oriented literature to something cognate, d). Lack of consistency, cohesion and coherence between the techniques associated with the Strategic Management Accounting drafted.

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