

Previously conducted



Business environments exhibit a variety of structures and processes, including flat and horizontal organizational forms, ultrasonically matrix structures, networks of "virtual organizations" and self-directed work teams. When business organizations respond to challenges by embarking on a change management path, they are faced with choices of which one of the management methods, techniques, and systems would be most effective (Waldron, 2005). Every organization is located within a particular configuration of contingencies.

It is dependent on the market and technological environment in which it operates its scale and diversity of operations, the technology applied to its work, and the type of personnel it employs. To achieve congruence, an appropriate design is the one which best suits its contextual and operational contingencies. According to Mores and Yen (2001, p. 352), "to be internally consistent, organizations must have tightly independent and mutually supportive parts in terms of strategies, structures and process". The management of organizations faces a challenge to reinforce the management accounting system. Structures together in order to achieve competitive advantage and enhance performance. Thus, research needs to be carried out to help management make appropriate decisions in order to achieve this congruence. This study examines companies in Malaysia's manufacturing industry in responding to the rapid changes in technological and competitive environment in Malaysia as a result of globalization. Globalization has changed the environment surrounding organizations operating in developing countries with an increase in uncertainty, intensified industry competition and advanced technology.

According to Kansas, Md-Mansard and Doris (2003) globalization brings in new genealogy and makes a developing country open to greater competition. These changes may affect the choice of management accounting practice (MAP) in an organization and may also result in the need for the firm to reconsider its existing organizational design and strategies in order to fit with the changing environment. This argument is supported by Burns and Escapes (2000) and Shields (1997), who suggest that changes in environment cause changes in organizations, which in turn cause changes in MAP.

Background and Significance of the Study The business environment in a developing country differs from that within a developed country with regards to market size, access to manufactured inputs, although some developing economies are quite large, most are not; the menu of domestically produced intermediate inputs and capital equipment is often limited; a scarcity of technicians and scientists also affects flexibility in the production process and the ability to absorb new technologies; infrastructure is relatively limited; macroeconomic and relative price volatility is typically more extreme; legal systems and crime prevention are also relatively poor; and corruption is often a serious problem. Malaysia is categorized as the developing country, however it has more advanced infrastructure and technology compared to most other developing countries. Malaysian manufacturing industries are also more concentrated than those of most developed countries (Apothecary, 2002). With globalization, the application of technology in Malaysia has increased, especially through foreign investment (Kansas et al. , 2003).

Changes in business environment in Malaysia arising from a market-oriented economy and government policies that provide businesses with the opportunity for growth and profits, have made Malaysia a highly nominative manufacturing and export base. LITERATURE REVIEW Management Accounting and Its Evolution: The basic purpose of accounting information is to help users make decisions. Management accounting is branch of accounting that produces information for managers and forms an important integral part of the strategic process within an organization. It involves the process of identifying, measuring, accumulating, analyzing, preparing, interpreting, and communicating information that helps managers fulfill organizational objectives (Hormone, Sunder, Stratton, Burgomaster, & Chatterer, 2007).

Chartered Institute of Management Accountants (I-J) views management accounting as an integral part of management which requires the identification, generation, presentation, interpretation and use of information relevant to: - Formulating business strategy; - planning and controlling activities; - decision-making; - efficient resource usage; - performance improvement and value enhancement. Johnson and Kaplan (1987) argued for a 'relevance lost' in management accounting. They pointed the issue of inappropriateness of conventional management accounting techniques which offered little capacity for roving useful and timely information for better decision and control in the contemporary environment of rapid technological change and vigorous competition. Following Johnson and Kaplan (1987), management accounting techniques had rapidly developed for better decision-making and management control.

To promote a better understanding of the changes in management accounting practices, the International Federation of Accountants (AFC) (1998) provides a framework explaining the development of management accounting. This framework explains the evolution in management accounting through four recognizable stages. Management Accounting change: Management accounting change is not a uniform phenomenon. Consequently one confirmed by management accounting. Researchers. It is evident that both the external factors (environmental) and internal factors (relating to the organization concerned) have influenced the recent development of new management accounting systems and techniques. According to Shields (1997), the potential change drivers are competition, technologies, organizational design and strategies.

These drivers of change also indicate the differing roles which causal factors can have in the process of change. Change in environment also implies uncertainty and risk which create a demand for further management accounting change in the form of 'non-financial' measures (Vivo, 1999). Less attention has been given by researchers to the management accounting change process. Burns and Escapes (2000, p. 4) observed that, " little research attention has been given to understanding the processes through which new management accounting systems and practices have emerged (or failed to merge) through time". Change can be addressed in a variety of dimensions.

According to The American Heritage Dictionary, 4th Edition, change includes all of the following aspects: becoming different or undergo alteration; transformation or transition; going from one phase to another; making an

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exchange; modifying; substitution; giving and receiving reciprocally; replace with another; abandon. This definition illustrates different types of change and shows that, in general, it is not a uniform phenomenon. Wisecracking and Alliterate (2007) suggest change in management accounting as a learning methodology to understand how environmental factors shape internal process within organization. According to them, the process of change reflects on the question of how management accounting techniques emerged, evolved and were transformed when new demands from the changing environment are in place. From a management accounting perspectives, different types of change can be researched upon.

For example Essay (2003) study change with respect to the integration of Activity Based Costing (ABC) into strategy to manage organization's operating activities. It is suggested that ABC can contribute to improve organizational performance if implemented as part of the overall organizational change strategy. Prefer, McKinney and Harrison (2003), examined changes in term of introduction, abandonment and reintroduction of transfer pricing in government trading enterprise as it moved from protected monopolistic status to centralization. Research Method Data sources There are two types of data sources are used to obtain the required information 2. 1. Primary Data: Direct interview through a survey questionnaire. That was needed for this assignment. Secondary data Online articles on management accounting Previously conducted research papers on different issues of management accounting magazines, brochures, etc This study has attempted to enhance our understanding of the effect of alignment among management accounting and organizational change, in

Malaysian manufacturing companies, on performance. It explores the causal relationship between competitive environment and advanced manufacturing technology; with MAP, strategy and structure. Interrelationship between MAP with structure and strategy is also investigated.

The research findings confirm that the model developed mainly from a Western perspective is largely applicable to the Malaysian context.

Moreover, this study presents a number of distinctive findings to add to the existing literature. It identifies certain important associations, particularly in relation to the alignment among the organizational factors, I. E. , MAP, structure and strategy. As the business environment is continuously changing, organizations and their managers will find it is critical to cope with these changes to ensure that institutional factors are properly matched. Supply of relevant information is essential for managers to make effective decisions regarding an appropriate alignment.

This study had been designed to achieve the research objectives. By employing a valid and reliable theory, this study has significantly contributed to the theoretical and methodological knowledge in this area. The findings from this research also provide a useful guideline to organizations, especially their managers, to make decisions in light of the current changing environment. Apart from these contributions, this research's outcome has also provided useful guidance for future research. References magazines, brochure CT Web link <http://www. En. Wisped. Org/wick/about management accounting> <http:// en. Wisped. Org/wick> <http://en. Wisped. Org/wick/management accounting system>