

1 The Importance Of Impact In Organizational Changes On 2 Management Accounting Change (Case Study Of Iranian 3 Manufacturing Firms)

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7

8 **Abstract**

9 Organizations involve technical chnges, humen sources development, and competitive markets.
10 The purpose of this research is studying the amount importance of impact of Manufacturing
11 firms changes on management accounting change. Present research has 4 independent
12 variables that include 1- new accountants 2- new packaging 3- new products 4- weak financial
13 performance which the method of this research is descriptive- survey and in applied kind that
14 researcher uses to reach the research objectives 4 independent variables by use of testing effect
15 on each one of the research variable on management accounting change and friedmon test for
16 studying equal effect of variables and for studing effect of the case study firms size has used
17 ANOVA variance analyze test. Result of the research indirect the effect of variables of
18 research and firms size on the new packaging and weak performance.

19

20 **Index terms**— Management Accounting Changeh, Organizational Chnges, Manufacturing Firms, Iran

21 **1 INTRODUCTION**

22 managers of firms product are under pressure to find the equilibrium ways for decreasing costs and improving
23 quality, along with preserving profitability. In developed countries, firms couldn't beat these challenges, have
24 stopped their operations of have been bought by other firms. Example of this situation occurred for one firm of
25 100 big Manufacturing firms in Australia between 1988 to 1993 ??Adler and et, 2000).

26 Since 1985 discussion in academic and executive circles is about this object that in many Manufacturing firms,
27 costing system isn't responsible for information requirements and analyzing for decisionmaking, and some times
28 is argued that the costing systems are big obstacle in persormance of the new technology and perception of firms
29 competitive advantage.

30 Procedures and new management philosophies, especially total quality management and system production
31 just in time in many developed countries and some develoing countries, as well chnge in information technology,
32 economic, business arena, has been significant impact in style of produce of products and style of function in
33 costing systems. And the new techniques like activing based costing, objective costing, life cycle costing, quality
34 costing report, and strategic management account has invented and used.

35 There fore, despite the fact that firms for improvement their competitive advantage have performed new
36 management methods that require change in the Manufacturing method and also in Manufacturing tool. But
37 costing systems, thus face sever criticisms. In this article, along with brief review on management accounting
38 literature evaluated studying the amount of importance of firms organizational changes that we evaluated 4
39 independent variables to reach research: 1.

40 New accountants 2.

41 New packaging 3.

42 New products 4.

43 Weak financial performance II.

44 2 MANAGEMENT ACCOUNTING CHANGE

45 Management accounting seeks to meet the decision needs of an entity's managers. In recent years, entities
46 have been experiencing significant change in their organizational designs, their competitive environments and
47 in their information technologies. In particular, developments in information technology have brought about
48 innovation and change in the collection and analysis of information within and between organizations. Such
49 change has implications for management accounting and management accounting change is potentially an
50 integral part of organizational life in today's global and technology driven society. Almost twenty years ago,
51 ??opwood (1987: 207) argued that 'very little is known of the processes of accounting change'. Subsequent
52 studies have attempted to address this shortfall, for example ??ettigrew et al., 1992;Cooper, 1990;Scapens
53 and Roberts, 1993;Argyris and Kaplan, 1994; ??nderson, 1995; ??hields, 1995 Much has been written on the
54 changing nature of management accounting practice (Bhimani, 1996;Shields, 1997;Burns and Vaivio, 2001).
55 New management accounting techniques have emerged (Bjoornenak and Olson, 1999) in response to changing
56 business environments, along with new organizational designs, new information technologies and new competitive
57 environments. Management accounting changes are usually viewed as arising out of economic imperatives.

58 In addition, the consequences of accounting technologies are often reduced to a logic of economic incentives
59 and rational economic behavior. This perspective, however, fails to recognize that the origins and application of
60 accounting techniques are not shaped by economic logic alone, but involve far more wide-ranging influences such
61 as changing social, economic and political conditions (Burchell et al., 1980; ??eimark and Tinker, 1986;Hopwood,
62 1987;Preston, 1992;Miller and O'Leary, 1990).

63 Studies of the process of accounting change address a number of issues, including the management of the
64 process of change ??Pettigrew et al., 1992;Cooper, 1990;Scapens and Roberts, 1993;Argyris and Kaplan, 1994;
65 ??nderson, 1995; ??hields, 1995;Anderson and Young, 1999); resistance to accounting change (Scapens and
66 Roberts, 1993;Markus, 1983; ??ent, 1991); and the role of technology in the implementation of new accounting
67 systems ??Markus and Pfeffer,1983;Orlikowski and Robey, 1991;Orlikowski, 1992). Many of these empirical
68 studies again illustrate the complex sociotechnical forces that influence the process of accounting change. More
69 recently, offer a new framework for analyzing management accounting change which draws upon old institutional
70 economics and structuration theory.

71 3 III.

72 4 ORGANIZATIONAL CHANGE

73 Case studies have presented the reorganization of the organizational structure as a facilitator for management
74 accounting change . These findings are confirmed by field research (Laitinen, 2001; Luther and Longden, 2001).
75 In contrast to these findings Cobb et al. (1995) see that changed priorities hinder management accounting
76 improvement. Because a changing organizational structure needs management capacities and is also followed by
77 changed priorities, we see in these changes a barrier to management accounting change. The existing management
78 accounting system must be adapted to the new organizational form and an improvement of methods or technology
79 is hindered.

80 IV.

81 5 LITERATURE REVIEW

82 The basic purpose of accounting information is to help users make decisions. Management accounting is
83 the branch of accounting that produces information for managers and forms an important integral part of
84 the strategic process within an organisation. It involves the process of identifying, measuring, accumulating,
85 analysing, preparing, interpreting, and communicating information that helps managers fulfill organizational
86 objectives (Horngren, Sundem, Stratton, Burgstahler, & Schatzberg, 2007). Chartered Institute of Management
87 Accountants (UK) (2000) views management accounting as an integral part of management which requires
88 the identification, generation, presentation, interpretation and use of information relevant to formulating
89 business strategy, planning and controlling activities, decisionmaking, efficient resource usage, and performance
90 improvement and value enhancement.

91 Since Hopwood (1987) asked for further research into accounting change there have been several studies which
92 analyze aspects of management accounting change. Libby and Waterhouse (1996) detected that little is known
93 about the forces which induce or act to impede management accounting systems change. Atkinson et al. (1997)
94 saw one extremely fertile area for research in a systematic inquiry into facilitators and barriers.

95 Yakhou and Dorweiler (1995) recommended further research into why some companies are slower than others
96 in adopting management accounting innovations. One of the first evidence based studies was published by , who
97 identified in seven case studies, factors which cause management accounting change. In these findings Cobb et
98 al. (1995) missed the consideration of barriers-factors which hinder or prevent change and therefore developed
99 an accounting change model based on a case study of a bank. Overall the processes of change are forced by a
100 combination of random, systematic and internal factors .

101 In our study we test drivers and barriers that influence management accounting change.

102 We focus on a single industry, due to the fact that a single industry analysis has substantially higher internal
103 validity than a cross-sectional analysis (Ittner et al., 2003). We selected the banking industry because Ittner et al.
104 (2003) argued that financial services firms are actively discussing their choice of performance measures and value
105 drivers. Although banks have developed better measures for dealing with risks than other industries (Beasley et
106 al., 2005). Williams and Seaman (2001) found that the determinants of management accounting change cannot
107 be generalized from the manufacturing and industrial sectors to the service sector. Also Al-Omri and Drury
108 (2007) reported that the financial services sector differs from other V.

109 **6 RESEARCH OBJECTIVES**

110 This research is followed these objectives 1. Studying effective amount of organizational changes in management
111 accounting changes in Manufacturing firms.

112 VI.

113 **7 RESEARCH HYPOTHESIS**

114 1. New accountants impact on managemen accounting change 2. New packaging impact on managemen
115 accounting change 3. New products impact on managemen accounting change 4. Weak financial performance
116 impact on managemen accounting change VII.

117 **8 RESEARCH METHODOLOGY**

118 In this article, research methodology is descriptive-survey and in applied. In the direction of entrance to research
119 district has also used field metod. In the direction of gathering required information in research has been also
120 driven profit two primary and secondary data categories that in direction of secondary data, documents, evidences,
121 books, articles, internet searching motors and cvoonetted sites are collective circle. Techniques of interview and
122 questionnaire have also used for gathering primary. Research data at statistical society simultaneously.

123 Random classified sampling method has been applied in the direction of selection of sample volume that in
124 this research firm on base of firm size, small (under 10 individual forces), medium (10 to 50 individuals), large
125 (50 to 150 individuals), extensively large (more than 150 individuals) firm are selected.

126 Research scientific society, active Manufacturing firms that the number 150 questionnaire is sent, that the
127 number 112 questionnaire and their answers has made criterion for resulting of researcher.

128 Statistical analyze has been performed in two parts: descriptive and inferential. In the descriptive part, first
129 for general identification case study sample (gender, age, experience of work, study of field, educational degree
130 and number of human forces) frequency table of forming and approximately case study samples have described.

131 In inferential analyze part by use of test has paid to comparision of observed average of hypothesis seperatly.

132 If observer average, obtained average of study dample for all hypotheses is significatly is bigger than theroretical
133 average (With regard to values of table No.2 value P-value= 0/00 hypothesis zero in the level of error 5 percent
134 is rejected. Means observed average is more equal than 3 and as partical average is more than 3 means theoretical
135 average, thus can result that observed average (3.8214) is significantly more than 3.

136 In the other words in level of error 5 percent, researcher's hypothesis is accepted. Then could said that new
137 packaging impact on managemen accounting change. c) Third hypothesis test : Avarage is less than number 3
138 (new products hasn't impact on management accounting change!)

139 : Avarage is more equal number 3 (new products impact on management accounting change!)

140 With regard to values of table No.2 value P-value= 0/00 hypothesis zero in the level of error 5 percent is
141 rejected. Means observed average is more equal than 3 and as partical average is more than 3 means theoretical
142 average, thus can result that observed average (3.8571) is significantly more than 3.

143 In the other words, in the level of error 5 percent, researcher's hypothesis is accepted. Then could said that
144 new products impact on managemen accounting change. d) Fourth hypothesis test : Avarage is less than number
145 3 (weak financial performance hasn't impact on management accounting change!)

146 : Avarage is more equal number 3 (weak financial performance has effect om management accounting change!)

147 With regard to values of table No.2 value P-value= 0/00 hypothesis zero in the level of error 5 percent is
148 rejected. Means observed average is more equal than 3 and as partical average is more than 3 means theoretical
149 average, thus can result that observed average (3.9286) is significantly more than 3.

150 In the other words in the level of error 5 percent, researcher's hypothesis is accepted. Then could said that
151 weak financial performance has effect on managemen accounting change.

152 **9 e) Testing equalization of research independent variables**

153 For prioritizing and determining importance on each one of the research independent variables (factors involved
154 in prevention of management accounting change) friedman's test has been used. This test suggestes that is there
155 between rstraining factors, a factor of other factors more important or all equal in importance. ??researcher

156 10 RESEARCH FINDS AND RESULTS

157 This article has followed presentation of surveying research results of active Manufacturing firms. Selected firms,
158 also are small, medium, large and extensively large. Practiced results of testing research hypothesis indicate
159 organizational changes have more important in management acoounting change.

160 For studying equalization of impact on research independent variables that has been used fridman test indicate
161 that impact of research independent variables in equal.

162 In the direction of recognition impact of research main variables by firm size use ANOVA parametric
163 that results of test indicate in the line with second and fourth variables (new packaging and weak financial
164 performance).

165 In a general result could said that in Iranian firms 4 independent variables are more important in management
166 accounting change and so, firms must attention to the new methods of management accounting before their
167 organizational changes. Because by entrance of the new products by oackaging and new facilities else old costing
168 methods for decisionmaking aren't useful, firms, therefore for ncreasing competitive power in market and industry
impose cost of management accounting change for themselves to use its benefit in future. ^{1 2 3}



53

Figure 1: $1+2+3+4+5 = 3$

November 2011 1 industries significantly. Because Helliar et al. (2002) found that development in banks' profitability reporting systems was different from that in other industries, we have to discuss which factors mentioned in previous research into other industries are relevant for the banking industry. There are some earlier studies about management accounting design which also focused on the banking industry (e.g. Cobb et al., 1995; Grimmer, 2003; Helliar et al., 2002; Hussain and Hoque, 2002; Ittner et al., 2003). Luther and Longden (2001) showed that motives for management accounting change can differ from country to country. To avoid national bias, we focus our study on a specific language area.

[Note: ©2011 Global Journals Inc. (US)]

Figure 2:

169

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No

Table No.2, T Test Statistics

Description	n	Std	t	d.f	Tes	P-	Result	
					Value			
Hypotheses								
First	1123.428	04644	1792	111	3	0.00	Accept	
Hy-								
poth-								
esis								
Second	1123.820	47618	61.410	14.135	12.250	111	3 0.00	Accept
Hy-	1123.850	164175				111	3 0.00	Ac-
poth-	1123.928	80218				111	3 0.00	ept
esis								Ac-
Third								cept
Hy-								
poth-								
esis								
Forth								
Hy-								
poth-								
esis								

1, Frequency of Firms Size Percent Frequency 3.6 4 50. 56 25 28 21.4 24 100 112 STATI

packaging hasn't impact on management accounting
change!)

packaging impact on management accounting change!)

H 1 : Avarage is more equal

Figure 3: Table No .

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f) ANOVA Variance Analyze

Independent Variable	Source of Changing	Table No. 5 ANOVA Test			Mean square	F
		Sum of Squares	df			
New Accountants	Between Groups	1.524	3	108	0.508	0.907
	Within Groups	97.905				
	Total	99.429	111			
	Between Groups	9.000	3		3.000	5.845
	Within Groups					
	Total	55.905	108			0.513
New Packaging	Between Groups	64.429	111			
	Within Groups	0.857	3		0.286	.688
	Total	44.429	108			0.415
	Between Groups					
	Total	45.714	111			
	Between Groups	10.952	3	108	3.651	0.560
New Products	Within Groups	60.476				
	Total					
	Between Groups					
	Total					
	Between Groups					
	Total	71.429	111			
IX.						has u

reject and claim hypotheses: : Independent factors of research (organizational changes factors in management accounting change) for impact have equal importance!

: Independent (organizational changes factors in management accounting change) for impact haven't equal importance!

With regard to table N 0/00 and prepared value chi-square= 34.557 could resulted that acceptance at meaningful lavel 5% hypothesis and hypotheses

research independent variables (factors involved in prevention of management accounting change) for effect have equal importance could shown ranking order of independent variables in table No.4.

Table No.3 Friedman Test Statistics

N	112
Chi-Square	34.555
df	3
P-value	.000

Table No.4, Mean Ranking of Variable

Independent Variables Descriptive	Weak financial performance	New packaging	New
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