

**ADVANCES IN
MANAGEMENT ACCOUNTING**

ADVANCES IN MANAGEMENT ACCOUNTING

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ADVANCES IN MANAGEMENT ACCOUNTING
VOLUME 27

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ACCOUNTING**

EDITED BY

MARC J. EPSTEIN

Rice University (retired), USA

MARY A. MALINA

University of Colorado Denver, USA



United Kingdom – North America – Japan
India – Malaysia – China

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INVESTOR IN PEOPLE

LIST OF CONTRIBUTORS

<i>Hank C. Alewine</i>	College of Business Administration, University of Alabama in Huntsville, Huntsville, AL, USA
<i>Ozat Baiserkeyev</i>	Management Systems Affiliate, Almaty, Kazakhstan
<i>Sylvie Berthelot</i>	Faculté d'administration, Université de Sherbrooke, Sherbrooke, Quebec, Canada
<i>Dariusz Brzezinski</i>	Management Systems Affiliate, Warszawa, Poland
<i>Jennifer C. Coats</i>	College of Business, Colorado State University, Fort Collins, CO, USA
<i>Antonia Dimitrova</i>	Management Systems Affiliate, Sofia, Bulgaria
<i>Du Feng</i>	Management Systems Affiliate, Hangzhou, China
<i>Eric G. Flamholtz</i>	Management Systems Consulting, Los Angeles, CA, USA
<i>James Jianxin Gong</i>	Department of Accounting, Mihaylo College of Business and Economics, California State University at Fullerton, Fullerton, CA, USA
<i>Ivailo Iliev</i>	Management Systems Affiliate, Sofia, Bulgaria
<i>Raef Lawson</i>	Institute of Management Accountants, Montvale, NJ, USA

- Timothy C. Miller* Department of Accountancy, Williams College of Business, Xavier University, Cincinnati, OH, USA
- Fernanda Milman* Management Systems Affiliate, Buenos Aires, Argentina
- Janet Morrill* I. H. Asper School of Business, University of Manitoba, Winnipeg, Manitoba, Canada
- Frederick W. Rankin* College of Business, Colorado State University, Fort Collins, CO, USA
- Pawel Rudnik* Management Systems Affiliate, Warszawa, Poland
- Basil P. Tucker* School of Commerce, University of South Australia, Adelaide, Australia
- S. Mark Young* Leventhal School of Accounting, Marshall School of Business, University of Southern California, Los Angeles, CA, USA

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Institute of Management Accountants, USA

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Australia*

Raj Mashruwala
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Sally K. Widener
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Marc Wouters
*Karlsruhe Institute of
Technology, Germany*

AIMA STATEMENT OF PURPOSE

Advances in Management Accounting (AIMA) is a publication of quality applied research in management accounting. The journal's purpose is to publish thought-provoking articles that advance knowledge in the management accounting discipline and are of interest to both academics and practitioners. The journal seeks thoughtful, well-developed articles on a variety of current topics in management accounting, broadly defined. All research methods including survey research, field tests, corporate case studies, experiments, meta-analyses, and modeling are welcome. Some speculative articles, research notes, critiques, and survey pieces will be included where appropriate.

Articles may range from purely empirical to purely theoretical, from practice-based applications to speculation on the development of new techniques and frameworks. Empirical articles must present sound research designs and well-explained execution. Theoretical arguments must present reasonable assumptions and logical development of ideas. All articles should include well-defined problems, concise presentations, and succinct conclusions that follow logically from the data.

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7. Inquiries concerning *Advances in Management Accounting* should be directed to either of the following editors:

Marc J. Epstein
epstein@rice.edu

Mary A. Malina
mary.malina@ucdenver.edu

INTRODUCTION

This volume of *Advances in Management Accounting (AIMA)* represents the diversity of management accounting topics, methods, and author affiliation that form the basic tenets of *AIMA*. Included are papers on traditional management accounting topics such as management control systems and performance measurement, as well as articles on broader topics of interest to management accountants such as decision rights and the gap between research and practice. The papers in this volume utilize a wide-variety of methods including archival data analysis, survey, experiment, and a thought piece. Finally, the diversity in authorship is apparent with affiliations from Argentina, Australia, Bulgaria, Canada, China, Kazakhstan, Poland, and the United States.

This volume begins with an archival study by Gong and Young that investigates the use of performance indicators in managing revenues in the motion picture industry. Research on the relevance of financial versus non-financial performance measures for decision making continues to be among mainstream debates in the management accounting literature. This study provides empirical evidence on the effect of opening box office revenue and peak rankings on the overall life cycle and video sales of motion pictures. While prior management accounting studies focus on product life cycle costing in manufacturing contexts, this is the first accounting study that directly assesses life cycle revenues in one of the creative industries.

The next paper by Coats and Rankin explores delegation of decision rights by designing an experiment to explore the superior's choice between delegation and information elicitation. This novel experiment identifies systematic ways in which behavior deviates from economic theory. Their findings suggest that in addition to economic incentives, delegation creates strong behavioral motivation to gather information. Hence, at least in some cases, economic theory understates the positive effects of delegation on the subordinates' incentives to gather decision-relevant information.

At the third *AIMA World Conference on Management Accounting Research* in May 2016, Eric Flamholtz presented a provocative plenary session. The third paper by Flamholtz et al. is the product of that plenary session. The paper proposes a revised paradigm for management accounting that serves 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 describes several global applications of the proposed revised frameworks, methodologies, and tools presented as potential add-ons to management accounting. This paper is sure to challenge conventional thinking about management accounting.

The fourth paper by Alewine and Miller uses an experiment to study how to integrate environmental performance measures in the balanced scorecard framework. It addresses a relevant topic of measuring environmental performance from a management accounting perspective (as opposed to external reporting of environmental results), and focuses on particularly challenging questions regarding balanced scorecard presentation format and reputation effects. The study finds when positive past environmental performances exist, entities may choose to group environmental performance measures together in a fifth scorecard perspective without risking those measures receiving the discounted decision weight indicated in prior studies.

Tucker and Lawson compare and contrast practice-based perceptions of the research-practice gap in the United States with those in Australia. The authors use a survey and follow-up interviews to explore how practicing managerial accountants perceive the relevance of academic research. Results indicate the extent to which academic research informs practice is perceived to be limited, despite the potential for academic research findings to make a significant contribution to management accounting practice. Rather than following conventional approaches to 'bridging the gap' by identifying barriers to the adoption of research, the authors suggest that only after academics have adequate incentives to speak to practice can barriers to a more effective diffusion of their research findings be overcome.

The final paper by Berthelot and Morrill uses a survey to investigate drivers of management control systems adoption in the context of Canadian Small- and Medium-Sized Enterprises (SMEs). While the impact of organization and strategy on management control system adoption has been extensively studied within larger organizations, relatively few studies have been conducted on control systems in SMEs. They find that the presence of a professional accountant, which is a constraint unique to SMEs given their limited resources, is strongly associated with the adoption of management control systems and was a significant explanatory variable more often than either size or strategy.

We believe the six papers in this volume represent relevant, theoretically sound, and practical studies that can greatly benefit the management accounting discipline. They manifest our commitment to providing a high level of contribution to management accounting research and practice.

Marc J. Epstein
Mary A. Malina
Editors