

ASIA-PACIFIC MANAGEMENT ACCOUNTING ASSOCIATION (APMAA)

RESEARCH PROJECTS

1 STAGE OF MANAGEMENT ACCOUNTING EVOLUTION IN ASIA

**# 2 THE CHANGING ROLES OF MANAGEMENT ACCOUNTANTS
IN A DISRUPTIVE ERA**

**# 3 COMPARATIVE MANAGEMENT ACCOUNTING –
AN INSTITUTIONAL PERSPECTIVE**

ASIA-PACIFIC MANAGEMENT ACCOUNTING ASSOCIATION (APMAA)

|

RESEARCH PROJECT

|

1 STAGE OF MANAGEMENT ACCOUNTING EVOLUSION IN ASIA



AT THE APMAA 2018 CONFERENCE IN TOKYO WE SIGNED THE FIRST RESEARCH AGREEMENT

Special Session II: Stage of Management Accounting Evolution (SMAE) in Asia

The APMAA Collaborative Research Project team on Stage of Management Accounting Evolution (SMAE) in Asia (A multiple-year project started in 2017) made an interim-report. A signing ceremony was conducted among team members as the photo shows. Papers related to practices in Thailand, Malaysia, Vietnam and China were reported.



Rough timeframe for the research team.

Actions	Each research team conducts the research and writes manuscripts					Meet in Thailand – Following up the project	Conduct comparative study in the same time with writing a chapter of each national MAP by each research team					Each country send the chapter	Combined book chapter	Meet in Qatar
outputs	Manuscripts written						Comparative papers							1 st Draft of the book chapter
	Nov.	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
	2018					2019								



2018 APMAA CONFERENCE IN TOKYO



SIGNED THE AGREEMENT IN TOKYO



THE APMAA PRESIDENT SIGNED THE RESEARCH AGREEMENT WITH RESEARCH LEADERS



WE ARE PROUD TO PRESENT OUR RESEARCH COLLABORATION.



CONGRATULATIONS! TO THE SIGNING CEREMONY.



HERE IS OUR FIRST RESEARCH AGREEMENT.



**ASIA-PACIFIC MANAGEMENT ACCOUNTING ASSOCIATION (APMAA)
RESEARCH AGREEMENT ON
"THE STATE OF MANAGEMENT ACCOUNTING EVOLUTION
IN THE ASIA-PACIFIC REGION"**

In Short "SMAE"

Between

Professor Susumu Ueno	Chair of the APMAA Board of Directors Advisor of the SMAE Research Project
-----------------------	---

Malaysia research team by

Prof. Normah Omar	Accounting Research Institute, Universiti Teknologi MARA
Assoc. Prof. Dr. Zuraidah Mohd Sanusi	Accounting Research Institute, Universiti Teknologi MARA
Assoc. Prof. Dr. Jamaliah Said	Accounting Research Institute, Universiti Teknologi MARA
Prof. Dr. Suzana Sulaiman	Accounting Research Institute, Universiti Teknologi MARA
Prof. Dr. Ibrahim Kamal Abdul Rahman	Accounting Research Institute, Universiti Teknologi MARA

Indonesia research team by

Prof. Grahita Chandrarin	University of Merdeka Malang
Dr. Diana Zuhroh	University of Merdeka Malang
Dr. Prihat Assih	University of Merdeka Malang
Dr. Ni Putu Sri Harta Mimba	Udayana University

Taiwan research team by

Prof. Hsuan-lien Chu	Department of Accounting College of Commerce, National Taipei University
Asst. Prof. She-Chih Chiu	Department of Accounting College of Commerce, National Taipei University

Thailand research team by

Assoc. Prof. Dr. Kanibhatti Nitirojtanad	Faculty of Commerce and Accountancy, Chulalongkorn University
Asst. Prof. Dr. Nimnuan Visedsun	Faculty of Accountancy, Rangsit University
Asst. Prof. Dr. Kanitsorn Terdpaopong	Faculty of Accountancy, Rangsit University

Vietnam research team by

Dr. Nguyen Thi Phuong Dzung	Faculty of Accounting and Auditing, University of Economics and Business - Vietnam National University-Hanoi
Dr. Nguyen Thi Hong Thuy	Faculty of Accounting and Auditing, University of Economics and Business - Vietnam National University-Hanoi
Dr. Nguyen Thi Huong Lien	Faculty of Accounting and Auditing, University of Economics and Business - Vietnam National University-Hanoi
Ma. Nguyen Thi Hai Ha	Faculty of Accounting and Auditing, University of Economics and Business - Vietnam National University-Hanoi
Ma. Nguyen Hoang Thai	Faculty of Accounting and Auditing, University of Economics and Business - Vietnam National University-Hanoi

And Germany research team by

Prof. Robert C. Rickards	German Police University
Prof. Rolf Ritsert	German Police University

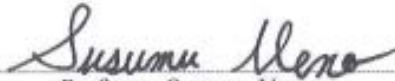
In line with the development of friendly international cooperation in accordance with our mutual interests in conducting research on the project titled 'The State of Management Accounting Evolution in the Asia-Pacific Region' (SMAE) (see attachment of the research proposal – Appendices 1, and 2), all parties aim to establish a long-term mutually beneficial association. All parties agree to exercise their best efforts to develop the following forms of cooperation:

1. Establish ties of friendship and cooperation;
2. Promote mutual understanding, academic collaboration, cultural and personnel exchanges; and
3. Work toward formal and comparative research papers for publications and further research on the international level. The outcomes of this research agreement could be in forms of, but not limited to, research publications and a book chapter.

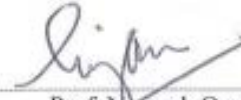
These agreements shall provide logistical and management details appropriate to the successful operation of the research to fulfill the spirit and purpose of this research agreement.



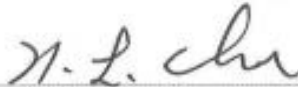
Signatories



Professor Susumu Ueno
Chair of the APMAA Board of Directors
Advisor of the SMAE Research Project



Prof. Normah Omar
Universiti Teknologi MARA, Malaysia



Prof. Hsuan-lien Chu
National Taipei University, Republic of China



Prof. Grahita Chandrarin
University of Merdeka Malang, Indonesia



Assoc. Prof. Dr. Kanibhatti Nitirojtanad
Chulalongkorn University, Thailand

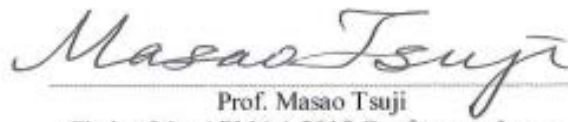


Prof. Robert C. Rickards
German Policy University, Germany



Dr. Nguyen Thi Phuong Dzung
University of Economics and Business -
Vietnam National University-Hanoi

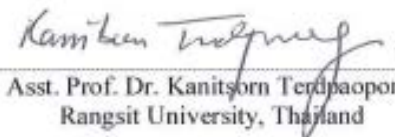
Witness:



Prof. Masao Tsuji
Chair of the APMAA 2018 Conference, Japan

Date 30th October 2018

Witness:



Asst. Prof. Dr. Kanitsorn Termpaopong
Rangsit University, Thailand

Date 30 October 2018



Contributions to Management Science

Robert C. Rickards
Rolf Ritsert
Kanitsorn Terdpaopong *Editors*

Management Accounting in China and Southeast Asia

Empirical Studies on Current Practices



Robert C.
Rickards



Rolf Ritsert



Kanitsorn
Terdpaopong

EDITORIAL TEAM



THANK YOU FOR THE HONOR HAVING THE
FOREWORD FROM PROF. SUSUMU UENO

Foreword



I am excited to see the publication of the book entitled *Management Accounting in China and Southeast Asia—Empirical Studies of Current Practices* from Springer Nature Switzerland AG. The chapters in this book represent the culmination of APMAA's first *collaborative research project*. It was at the 2016 Asia-Pacific Management Accounting Association (APMAA) Conference in Taipei that colleagues initiated a joint research project on "The Stages of Management Accounting Evolution in Asia-Pacific Area." Dr. Kanitsorn Terdpaopong from Rangsit University, Thailand; Dr. Normah Omar from Universiti Teknologi MARA, Malaysia; and Dr. Kanibhatti Nitirojntanad from Chulalongkorn University, Thailand, were initiators of APMAA's first *collaborative research project*.

Their efforts led to a Research Agreement on "The State of Management Accounting Evolution in the Asia-Pacific Region" that was signed by six parties at



Chinese Enterprises' Use of Management Accounting Tools



Robert C. Rickards and Rolf Ritsert

Abstract Purpose: To explore Chinese enterprises' adoption of management accounting tools, the frequency of their use, managers' satisfaction with them, and the tools' perceived importance.

Design/methodology/approach: Online survey, personal interviews, correlation, and t-test analyses.

Findings: The management accounting instruments utilized by Chinese enterprises vary widely. Nevertheless, in keeping with the evolutionary theory of management accounting instrument development, more traditional tools enjoy more widespread use than newer ones do. The frequency of a tool's employment, managers' satisfaction with it, and their perception of its importance are highly correlated. Yet, a sample subgroup consisting only of tool-users does not differ significantly from all respondents regarding the instruments' importance.

Research limitations: There being no readily accessible source to ensure random selection of the units of analysis, the study relies on a convenience sample, management accounting tools employed in earlier research, and financial executives' interview responses. Examination of a random sample, different management accounting instruments, and respondents in other managerial functions conceivably could yield divergent results.

1 Introduction to the Chinese Economy

Management Accounting Practices in Indonesia



Grahita Chandrarin and Diana Zuhroh

Abstract This study obtains empirical evidence about traditional and strategic management accounting practices (MAPs) in companies in Indonesia. Traditional MAPs include management accounting systems for costing, budgeting, performance measurement, and decision-making. Strategic management accounting practices encompass activity-based management, analysis of competition, industry analysis, long-range forecasting, value chain analysis, long-range forecasting, target costing, and total quality management. Data collection uses both a questionnaire and content analysis of job vacancies published on the websites of Indonesian firms. Data analysis uses descriptive statistics based on the average intensity of use. The results show that strategic management accounting techniques for budgeting, costing, and performance evaluation are still intensively used. Meanwhile, regarding strategic management accounting systems, the five most frequently used are activity-based management, analysis of competition, industry analysis, long-range forecasting, and value chain analysis. The results show that while traditional MAPs still are used intensively, strategic management accounting systems also are starting to be employed more frequently.

1 General Portrayal of Indonesia and Its Economy

Indonesia is an archipelago comprising 17,508 islands located in Southeast Asia. Its total area is 1,904,569 km². Indonesia adheres to the presidential system of government with the head of government held by a president. The President and Vice President of the Republic of Indonesia are directly elected by the Indonesian people.

Management Accounting Practices in Export-Oriented Manufacturing Small and Medium Enterprises in Malaysia



Ibrahim Morshidi, Normah Omar, Jamaliah Said, Suzana Sulaiman, and Ibrahim Kamal Abdul Rahman

Abstract Most studies of management accounting practices (MAPs) globally, and specifically of Malaysia, mainly focus on large manufacturing companies. This study examines the adoption of MAPs among small and medium enterprises (SMEs) engaging in export-oriented manufacturing in selected industrial hubs in Malaysia. In the digital era, these firms are expected to adopt some relatively sophisticated management accounting techniques in their manufacturing processes and marketing strategies. Based on 2019 statistics, SMEs constitute about 98.5% of all Malaysian business establishments. Most export-oriented SMEs are very structured in nature as they must adhere to stringent international market requirements. The objectives of the present study are to evaluate the level of perceived business uncertainty facing these SMEs and to explore their level of MAPs-adoption. Questionnaires were used to collect data from the export-oriented SME respondents: of the 410 distributed questionnaires, 78 (19%) were completed, returned, and used for analysis. The results show that, overall, export-oriented firms mainly market their products within the ASEAN region and, as such, most respondents perceived their business environment as “stable and predictable.” In relation to MAPs, it is evident that the export-oriented manufacturing SMEs rely more on traditional tools and techniques, like operating budget, standard costing, capital budgeting, variable costing, cost variance analysis, full costing, CVP analysis, and ratio analysis, for the purpose of product cost information.

The Stages of Management Accounting Evolution in Taiwan’s Hotel Industry: Evidence from Taipei City



Hsuan-Lien Chu and She-Chih Chiu

Abstract This study investigates how management accounting in the hotel industry has evolved in Taiwan. We use hotels in Taipei City as the sample because, as capital of Taiwan, Taipei City is where most medium- and large-sized hotels are located. The focus on Taipei City provides a valuable opportunity to reduce any potential size effect. Based on the evolution model proposed by the International Federation of Accountants (IFAC), the study shows that the majority of sampled hotels are moving from cost determination and financial control tools toward provision of information for management planning and control practices. However, 23.3% of the sample hotels have moved toward a more sophisticated role, creating value through an effective resource usage.

1 Introduction to Taiwan Economy and Hotel Industry

Taiwan is an important economic entity in the Asia-Pacific region (e.g., Wang 2003). According to the World Trade Organization, Taiwan ranks 20th globally as a leading trader of goods and services in 2018 (World Trade Organization 2019). The 2018 gross domestic product (GDP) per capita is approximately US\$25,792 (National Statistics, R.O.C. 2020). According to the United Nations Conference on Trade and Development, US\$6998 million of foreign direct investment flowed into Taiwan in 2018 (United Nations Conference on Trade and Development 2019). The major industry in Taiwan is manufacturing, which accounts for 35.21% of the GDP. In

Management Accounting Practices in Thailand: Case Study of Manufacturing Companies



Kanitsorn Terdpaopong, Nimmual Visedsun, and Kanibhatti Nitirojtanad

Abstract This chapter provides basic facts concerning Thailand's economy, including GDP by key sectors and foreign direct investment (FDI). It also explores the management accounting practices (MAPs) used in Thailand. This chapter focuses on MAPs implemented by large Thai manufacturing companies. In 1998, IFAC released a report describing the management account evolution. Although the report has enjoyed wide readership in scholarly circles, MAPs have received relatively little attention from businesses. In the present study, a survey questionnaire is used to collect information. Of the questionnaires sent to 1500 companies, 205 were usable, for a 13.67% response rate. The questionnaires sought information about management accounting practices of the companies. The practices were based on the stages of management accounting according to the IFAC evolution model. Here, cluster analysis is used to assign data into four clusters using hierarchical agglomerative methods. Then discriminant analysis is employed to ensure the accuracy of the cluster analysis. We find that respondents rely more on traditional tools and techniques, namely budgeting and controlling for product cost. In addition, we discover that the new advanced MAPs are increasingly being used by many large Thai companies. Although MAPs are used to create value for large Thai companies, they are not being used at the highest stage. Considering that advanced technologies are available and that there are advances in the way business is conducted, the implementation of modern management accounting procedures appears to be far behind.

Management Accounting Practices in Vietnamese Enterprises



Thi Phuong Dung Nguyen, Thi Hong Thuy Nguyen, Thi Huong Lien Nguyen, and Thi Hai Ha Nguyen

Abstract The objective of this chapter is to study the current evolutionary stage of management accounting practices (MAPs) in Vietnam. It explores the extent to which various MAPs are implemented in Vietnamese enterprises using a survey to collect information and the IFAC model as an international measure. Of the 700 companies that received the questionnaires, 250 provided usable responses, a 35.7% response rate. The results indicate that the majority (66.8%) of Vietnamese enterprises are in the first two stages of the IFAC model. Fewer enterprises (33.2%) have reached Stages 3 and 4, the higher evolutionary stages of the IFAC model. It is found that the most widely adopted MAPs in Vietnamese enterprises are standard costing, absorption costing, budgeting for product cost controlling, budgeting for revenue, financial ratios analysis, profitability ratio analysis, and profit analysis for products. Additionally, the respondents report that the most important roles of management accounting in their enterprises are to evaluate enterprise performance, to use for planning and controlling, and to help make decisions on production or investment. Few enterprises appreciate the roles that modern management accounting play in enhancing resource efficiency and reducing waste. Therefore, this research provides empirical evidence on the advancement of MAPs as employed by Vietnamese enterprises. For researchers and managers in Vietnam and other countries, it sheds light on the current stage of Vietnamese management accounting practices based on an international measure.



WITH COLLECTIVE
EFFORTS THE FIRST
BOOK CHAPTER
PROJECT IS NOW
LAUNCHED

Contributions to Management Science

Robert C. Rickards
Rolf Ritsert
Kanitsorn Terdpaopong *Editors*

Management Accounting in China and Southeast Asia

Empirical Studies on Current Practices



- **THE FIRST RESEARCH PROJECT COMPLETED.**

ASIA-PACIFIC MANAGEMENT ACCOUNTING ASSOCIATION (APMAA)

ON GOING PRESEARCH PROJECT

**# 2 THE CHANGING ROLES OF MANAGEMENT ACCOUNTANTS
IN A DISRUPTIVE ERA**



ASIA-PACIFIC MANAGEMENT ACCOUNTING ASSOCIATION (APMAA)
RESEARCH AGREEMENT
ON
“THE CHANGING ROLES OF MANAGEMENT ACCOUNTANTS
IN A DISRUPTIVE ERA”

Between

Professor Susumu Ueno	Chair of the APMAA Board of Directors Advisor of the Research Project
Assoc. Prof. Dr. Hadrian Geri Djajadikerta Dr. Terri Trireksani	Edith Cowan University, Australia Murdoch University, Australia
Asst. Prof. Dr. Farhana Begum	Ministry of Education, Bangladesh
Assoc. Prof. Dr. Md. Tahidur Rahman	Bangladesh Army International University of Science & Technology, Bangladesh
Md. Harun-Ur Rashid	International Islamic University, Bangladesh
Professor Syed Zabid Hossain, Professor Dr Normah Omar	University of Rajshahi, Bangladesh Universiti Teknologi MARA, Malaysia
Assoc. Prof. Dr. Nikhil Chandra Shil	East West University, Bangladesh
Professor Mahfizul Hoque Professor Mahmuda Akter	University of Dhaka, Bangladesh University of Dhaka, Bangladesh
Dr. Heyvon Herdhayinta Professor Grahita Chandrarin Dr. Ni Putu Sri Harta Mimba Dr. Diyah Sukanti Cahyaningsih	Universitas Gadjah Mada, Indonesia Universitas Merdeka Malang, Indonesia Universitas Udayana, Indonesia Universitas Merdeka Malang, Indonesia
Professor Robert C. Rickards Professor Rolf Ritsert Dr. Cinthya-Theresia Tambunan	German Police University, Germany German Police University, Germany German Police University, Germany



Assoc. Prof. Tuan Zaimun Tuan Mat
Professor Ruzita Jusoh
Dr. Kamisah Ismail
Professor Suzana Stulaiman
Professor Jamaliah Said

Universiti Teknologi MARA, Malaysia
University of Malaya, Malaysia
University of Malaya, Malaysia
Universiti Teknologi MARA, Malaysia
Universiti Teknologi MARA, Malaysia

Professor Hsuan-Lien Chu
Asst. Prof. Nai-Yng Liu

National Taipei University, Taiwan
National Central University, Taiwan

Asst. Prof. Dr. Kanitsom Terdpaopong
Asst. Prof. Dr. Nimmual Visedsun
Dr. Phatnatcha Chotkunakitti

Rangsit University, Thailand
Rangsit University, Thailand
Rangsit University, Thailand

Dr. Nguyen Thi Hong Thuy

VNU University of Economics and
Business, Vietnam

Dr. Nguyen Thi Huong Lien

VNU University of Economics and
Business, Vietnam

Dr. Nguyen Thi Phuong Dung

Hanoi University of Science and
Technology, Vietnam

Asst. Prof. Dr. Tam Huy Nguyen
Dr. Nguyen Thi Hai Ha

University of Nottingham, UK.
VNU University of Economics and
Business, Vietnam

In accordance with our mutual interest in conducting research on the project titled "The changing roles of management accountants in a disruptive era", all parties to this agreement aim to establish a long-term, mutually beneficial association. They agree to exercise their best efforts to develop the following forms of cooperation:

1. Establish ties of friendship and cooperation;
2. Promote mutual understanding, academic collaboration, cultural and personnel exchanges; and
3. Work toward formal, comparative research papers for publications and further research on the international level. The outcomes of this research agreement could be in the forms of, but not limited to, research publications, individual book chapters, and a book including some or all of those chapters.

This research agreement shall provide logistical and management details appropriate to the successful operations of the research and fulfill the spirit of the research collaboration.

This research agreement is dated on 1 October 2021 and shall be in effect once endorsed by the signatories.

Signatories:

Professor Susumu Ueno
Chair of the APMAA Board of Directors
Advisor of the Research Project

Assoc. Prof. Hadrian Geri Djajadikerta
Edith Cowan University, Australia

Asst. Prof. Dr. Farhana Begum
Ministry of Education, Bangladesh

Assoc. Prof. Dr. Nikhil Chandra Shil
East West University, Bangladesh

Dr. Heyvon Herdhayinta
Universitas Gadjah Mada,
Indonesia

Professor Dr. Robert C. Rickards
German Police University, Germany

Dr. Zubir Azhar
Universiti Sains Malaysia,
Malaysia

Assoc. Prof. Dr. Tuan Zaimun Tuan Mat
Universiti Teknologi MARA, Malaysia

Professor Dr. Hsuan-Lien Chu
National Taipei University,
Taiwan

Asst. Prof. Dr. Kanitsom Terdpaopong
Rangsit University, Thailand

Dr. Nguyen Thi Hong Thuy
VNU University of Economics and
Business, Vietnam

Witness:

Prof. Rolf Ritsert
German Police University, Germany

Professor Dr. Normah Omar
Universiti Teknologi MARA, Malaysia
Date October 2021

Assoc. Prof. Dr. Paul Scarbrough
Brock University, Canada
Date October 2021



Those interested to join the **2nd** research project

Please contact

Dr. Kathy Terdpaopong

Rangsit University, Thailand

52/347 Paholyothin Road, Pathumthani, Thailand

<https://www2.rsu.ac.th/home>

Email: **Kanitsorn@rsu.ac.th**

ASIA-PACIFIC MANAGEMENT ACCOUNTING ASSOCIATION (APMAA)

RESEARCH PROJECTS

3 COMPARATIVE MANAGEMENT ACCOUNTING – AN INSTITUTIONAL PERSPECTIVE



COMPARATIVE MANAGEMENT ACCOUNTING – AN INSTITUTIONAL PERSPECTIVE

- **Agenda – Purpose of the research proposal**

- The purpose of the research would be to discuss the convergence of management accounting systems over the course of time. Are specificities still important? What are the institutional factors influencing the observed evolutions and in which direction? What can we learn from observing the evolution of management accounting in several countries?

COMPARATIVE MANAGEMENT ACCOUNTING – AN INSTITUTIONAL PERSPECTIVE

• **Theoretical background (1)–**

- To rely on the analysis of institutional factors in the countries studied
- The institutional stream has become one of the main approaches in the analysis of changes in management control systems (Burns and Scapens, 2000, Ribeiro and Scapens, 2006)
- We aim to understand how the changes and differences in the institutional environment over the course of time has affected the management accounting systems of different countries

COMPARATIVE MANAGEMENT ACCOUNTING – AN INSTITUTIONAL PERSPECTIVE

• **Theoretical background (2)–**

- Based on the work of Shield, we suggest using an institutional framework to identify the most important characteristics of management accounting systems, focusing on the following determinants:
 - the economic environment and the role of the states
 - the management accounting profession, the teaching context and the actors in general
 - the structures, the management systems and the place of management accounting in the structures
 - the international transfer of information, the evolution of the tools (the influence of other countries and the convergence trend)

COMPARATIVE MANAGEMENT ACCOUNTING – AN INSTITUTIONAL PERSPECTIVE

- The purpose of the discussion is to formalize for the coming years until 2024 a global framework of analysis that can lead to coherent research protocol. The discussion can focus:
 - on the form: appropriate research format
 - on the substance: the use of an institutional reading grid, the research questions, the analysis of historical periods, comparisons, ...
 - Do we work on a broad topic related to comparisons of management control systems?
 - Do we focus on a specific topic of comparison? Ex.: the relationship between management accounting and environmental issues, ...

Those interested to join the **3rd** research project

Please contact

Gregory Wegmann

University of Burgundy

<http://www.u-bourgogne.fr/>

IAE DIJON – School of Management

Bd Gabriel, 21000 Dijon, France

Email: [gregory.wegmann@u-Bourgogne.fr](mailto:gregory.wegmann@u-bourgogne.fr)

**THANK YOU FOR MAKING YOUR CONTRIBUTIONS
TO THE APMAA RESEARCH PROJECTS.**

**LET'S ROLL TOGETHER TO INSPIRE OUR
RESEARCH COMMUNITY.**

