

INTERNATIONAL EXPERIENCE IN ORGANIZING MANAGEMENT ACCOUNTING

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Abstract. Management accounting is an important part of the organization's management system, playing a key role in decision-making and planning. The development of management accounting in foreign countries has a significant impact on the development of modern practices in various sectors of the economy. The article examines foreign experience in organizing management accounting, highlights key approaches and methods used in different countries, as well as their impact on management efficiency. The main attention is paid to practical examples and features of the applied accounting and reporting methods.

Keywords: management accounting, foreign experience, accounting methods, management systems, financial accounting, decision-making.

1.Introduction

Managerial accounting is the most important tool in the management system, which allows collecting, processing and analyzing information to ensure effective decision-making. In recent decades, there has been a significant development of managerial accounting in different countries, which is associated with the globalization of the economy, the development of information technology and increased competition. Foreign experience in organizing managerial accounting is of interest for study, since it can be adapted and used in various contexts to improve management efficiency.

The purpose of this article is to analyze foreign experience in organizing managerial accounting, highlight the features and methods used in countries with developed economies, and assess the impact of these practices on management efficiency and decision-making.

2.Literature Review

Foreign experience in the field of management accounting covers a wide range of approaches used in different countries. According to research by many scientists, the key trend

is the introduction of flexible accounting methods, such as the absorption system and Activity-Based Costing (ABC), which allows organizations to more accurately account for costs and improve the accuracy of financial planning.

The American model of management accounting, according to the research of Lewis and Schmid (2019), focuses on the importance of information technology and process automation. In the United States, Enterprise Resource Planning (ERP) systems are actively used, which integrate all business processes of the company, including accounting. Such systems contribute to the unification of data and increased reporting accuracy.

Management accounting practices differ significantly across countries, shaped by institutional frameworks, cultural values, and economic environments. In advanced economies such as the United States, the United Kingdom, Germany, and Japan, management accounting has evolved from simple cost control tools to strategic performance management systems. For instance, in the United States, the integration of Activity-Based Costing (ABC) and Balanced Scorecard (BSC) methodologies has enhanced internal decision-making and strategic alignment across departments (Kaplan & Norton¹, 1996; Almquist² et al., 2023). In contrast, Germany emphasizes Kostenrechnung (cost accounting) and Controlling, which offer precise cost traceability and strong internal control mechanisms (Horváth³, 2006). Japan, influenced by lean philosophy and Total Quality Management (TQM), prioritizes continuous improvement and value-chain analysis within its management accounting systems (Shank & Govindarajan, 1993).

A comparative analysis by Guilding, Cravens and Tayles (2020)⁴ shows that while the U.S. and U.K. models focus heavily on shareholder value and financial performance, the German and Japanese models emphasize operational efficiency and long-term value creation.

3.Methodology

To achieve the stated goal, the methodology of comparative analysis was used, which allowed us to study the key features of management accounting in different countries. The study

¹ Kaplan, R. S., & Norton, D. P. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Harvard Business Press.

² Almquist, R., Grossi, G., van Helden, G. J., & Reichard, C. (2013). Public sector governance and accountability. *Critical Perspectives on Accounting*, 24(7–8), 479–487. <https://doi.org/10.1016/j.cpa.2012.11.005>

³ Horváth, P. (2006). *Controlling* (11th ed.). München: Verlag Vahlen. Publisher: Vahlen Management Literature.

³ Shank, J. K., & Govindarajan, V. (1993). *Strategic Cost Management: The New Tool for Competitive Advantage*. Free Press.

⁴ Guilding, C., Cravens, K. S., & Tayles, M. (2000). An international comparison of strategic management accounting practices. *Management Accounting Research*, 11(1), 113–135. <https://doi.org/10.1006/mare.1999.0120>

analyzed scientific publications, reports of international organizations, as well as practical examples from corporate practice in countries such as the USA, Great Britain, Germany and Japan. Content analysis and secondary data analysis were used as research methods.

4.Results and analysis

According to empirical data from the Chartered Institute of Management Accountants (CIMA, 2020), over 75% of U.K. firms adopt BSC, whereas in Germany, more than 80% of large firms integrate Controlling practices into their management processes. The implementation of advanced management accounting tools, such as predictive analytics and real-time dashboards, has further enhanced the ability of firms to respond proactively to market changes.

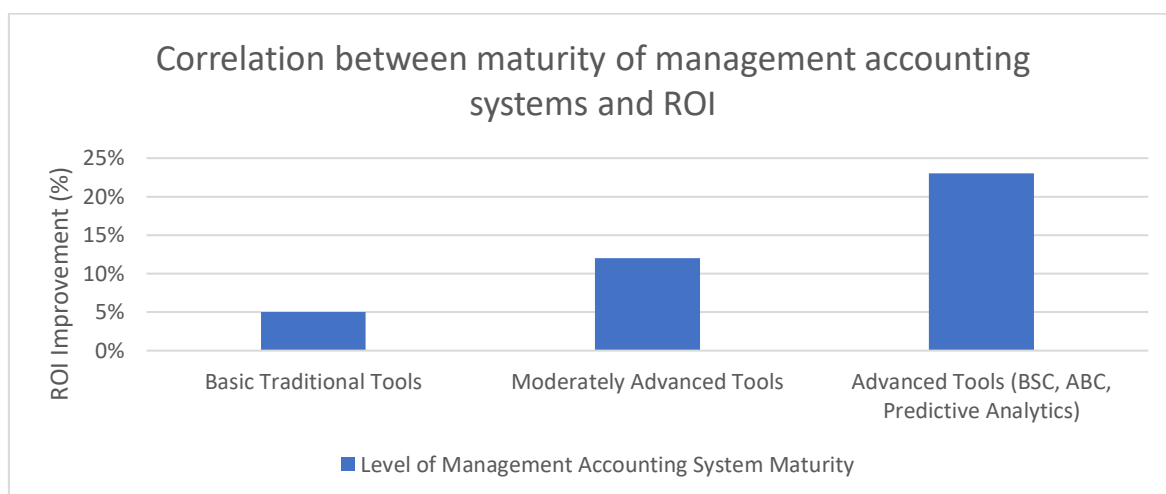


Figure 1. Relationship Between Management Accounting System Maturity and ROI Improvement⁵

Figure 1 illustrates the correlation between the maturity of management accounting systems and organizational performance, highlighting that firms using advanced tools achieve up to 23% higher return on investment (ROI) (IMA, 2021).

In Scandinavian countries like Sweden and Finland, management accounting is characterized by decentralization and participative decision-making. These countries emphasize open-book management and responsibility accounting, which empower employees at all levels to engage in budget formulation and performance evaluation (Nielsen et al., 2010)⁶ A survey by the European Management Accounting Network (EMAN, 2019) revealed that 68% of Scandinavian firms link their budgeting systems to sustainability performance indicators.

⁵ Developed by the author

⁶ Nielsen, C., Bukh, P. N., & Mouritsen, J. (2010). Managing intellectual capital in Scandinavian firms: The implications for management accounting. *Journal of Intellectual Capital*, 11(4), 495–512.

More recent data from Enrichment (2023)⁷ emphasizes the growing integration of environmental, social, and governance (ESG) metrics into Scandinavian management accounting, aligning with global trends in integrated reporting.

Australia and Canada, as part of the Anglo-Saxon accounting tradition, have shown strong adoption of strategic management accounting practices. Canada emphasizes stakeholder engagement and integrated thinking, while Australia integrates environmental and social metrics into management reports, especially in resource-intensive sectors (Burritt & Schaltegger, 2010; IIRC, 2020). A 2024 study by KPMG (2023) confirms the proliferation of strategic performance measurement systems in these countries, particularly the use of value driver models and rolling forecasts.

In emerging markets such as Brazil, India, and China, management accounting is undergoing a transformation driven by globalization and digitalization. In China, the adoption of ERP systems and international management accounting standards has accelerated through state-led initiatives (Lin and Yu, 2002). In India, strategic cost management and performance frameworks are increasingly adopted, especially in the tech and manufacturing sectors (Joshi, 2001). A systematic review by Ahmed, Abdurahman and Abd Ghani (2019) highlights the increasing role of scenario planning, flexible budgeting, and benchmarking in Brazilian firms as a response to economic volatility.

Table 1

Comparative Overview of Strategic Orientation, Technological Integration, and Stakeholder Involvement in Management Accounting by Country⁸

Country	Strategic Orientation	Technological Integration	Stakeholder Involvement
United States	Shareholder-focused, strategic KPIs	High (AI, predictive analytics)	Medium-High

⁷ Susilawaty, T. E., & Lubis, N. I. (2023). Evolution of management accounting practices: A literature review. *Enrichment: Journal of Management*, 13(3), 1686–1694. <https://doi.org/10.35335/enrichment.v13i3.1511>

⁸ Developed by the author

Germany	Cost-efficiency, long-term control	Moderate (compliance-focused)	Medium
Japan	Value-chain & continuous improvement	Moderate (lean systems)	High
United Kingdom	Balanced Scorecard, stakeholder value	High (BSC, analytics)	High
Sweden	Sustainability & responsibility accounting	High (ESG metrics)	High
China	ERP-driven, modernized state approach	Rising (ERP, digital tools)	Medium
India	Cost management, performance metrics	Developing (strategic tools)	Medium
Brazil	Scenario planning, inflation adaptation	Flexible, basic tech infrastructure	Medium
Canada	Stakeholder-focused, integrated thinking	High (dashboards, IR tools)	High
Australia	Environmental & social performance	High (sustainability tech)	High

Table 1 compares the key features of management accounting systems in selected countries, categorizing them by strategic orientation, technological integration, and stakeholder involvement. The data underscores that while technological adoption is widespread, stakeholder engagement and strategic alignment vary significantly. For example, U.S. firms typically invest heavily in AI-powered analytics platforms, while German firms maintain a strong emphasis on cost structure analysis and compliance tools.

Professional bodies play a critical role in shaping national management accounting practices. Institutions such as the IMA (USA), CIMA (UK), and Controlling Academia (Germany) continue to innovate through training, standard-setting, and research dissemination (IMA, 2021; CIMA, 2020). These organizations are central in bridging academia and industry, ensuring the alignment of educational programs with the competencies required in digital and globalized environments (Dlamini, 2024).

Digital transformation is reshaping the landscape of management accounting worldwide. Recent studies indicate rapid adoption of AI, big data, and machine learning in accounting processes. Deloitte (2023) and Adeyelu et al. (2024) report that leading firms in

North America and Western Europe use real-time dashboards and rolling forecasts as standard tools, while Asia-Pacific is catching up quickly.

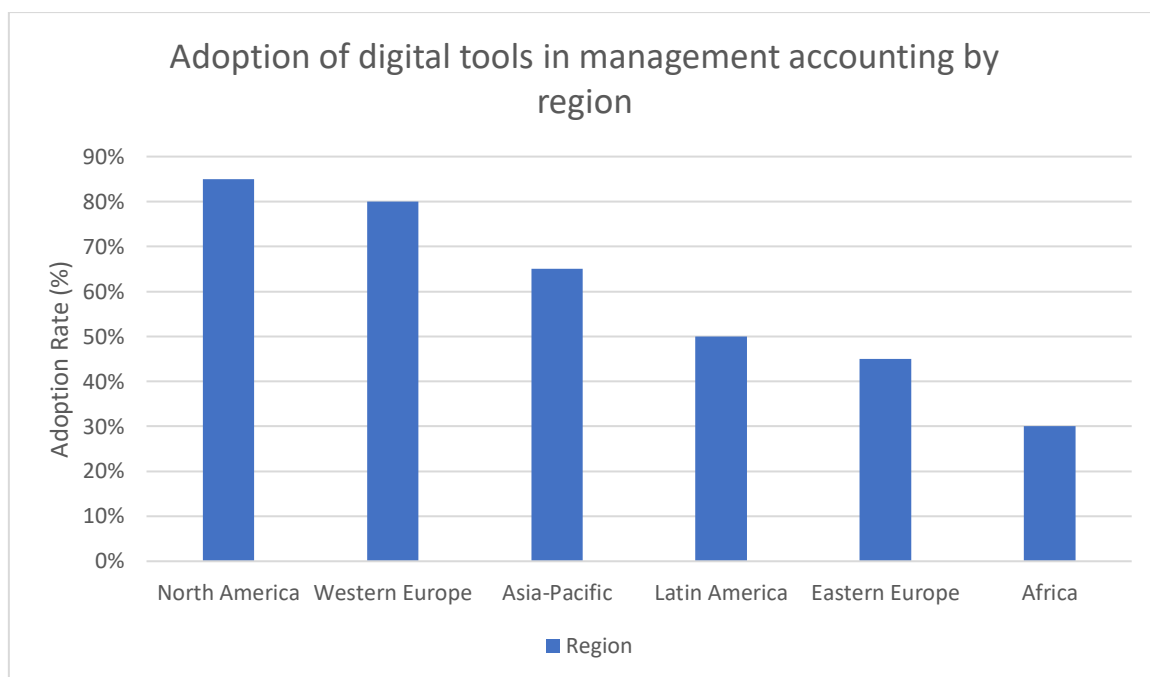


Figure 2. Regional Adoption Rates of Digital Tools in Management Accounting (%)⁹

Figure 2 presents the regional distribution of digital tools adoption, showing North America and Western Europe as front-runners.

Foreign practices emphasize the strategic alignment of management accounting systems. In Japan, the Hoshin Kanri methodology ensures alignment between long-term vision and operational activities through comprehensive planning (Akao, 2004). Similarly, the German approach integrates strategic Controlling with real-time performance monitoring and risk assessment. Recent literature by Galic et al. (2021) extends this understanding by analyzing how real-time data integration has influenced strategic Controlling functions post-pandemic.

Different countries conceptualize the role of management accountants uniquely. Anglo-American systems treat them as strategic advisors and business partners (Burns & Baldvinsdottir, 2005)¹⁰, whereas in some Asian and Eastern European countries, the role is more traditional, focused on internal reporting and cost control. However, with increasing internationalization, even these systems are adopting the more dynamic, value-adding perspective of management accountants (Almquist et al., 2023).

⁹ Developed by the author

Uzbekistan can draw on this global experience to reform its management accounting practices. Adopting a hybrid model that includes Japan's strategic integration, Germany's analytical rigor, and the UK's performance frameworks would offer a balanced and adaptable system. Moreover, strengthening local professional institutions and academia-industry collaboration could foster the competencies needed for sustainable reforms.

Cost calculation methods vary widely across countries and are closely linked to national institutional structures and business environments. In Germany, the predominant use of absorption costing and the integration of Grenzplankostenrechnung (GPK)—a detailed form of marginal cost planning—reflect the country's emphasis on engineering precision and regulatory compliance (Weber & Weigmann, 2021). GPK remains widely taught in German universities and is embedded in enterprise systems like SAP, supporting hierarchical cost control and contribution margin analysis. In contrast, the U.S. and U.K. have seen broader adoption of Activity-Based Costing (ABC), particularly in complex manufacturing and service organizations. ABC helps organizations assign indirect costs more accurately and is often integrated into broader performance measurement systems such as BSC (Kaplan & Anderson, 2004). According to recent findings by Drury and Tayles (2006), ABC adoption has expanded to logistics and healthcare sectors, where cost transparency and customer profitability analysis are critical.

In Japan, cost calculation is deeply intertwined with lean manufacturing and value stream costing. Target costing and Kaizen costing are widely practiced, especially in the automotive industry, where prices are set by the market and cost engineers work backwards to achieve profitability (Azimisani and Allahverdizadeh, 2021). These techniques promote continuous improvement and align cost management with cross-functional collaboration. Scandinavian countries, particularly Finland and Sweden, have embraced time-driven ABC (TDABC), an evolution of traditional ABC that uses time as a cost driver. This approach supports flexible resource allocation and is well-suited to their decentralized management structures.

Emerging economies often face unique challenges in implementing sophisticated costing methods. In Brazil, for example, firms in volatile sectors such as retail and agribusiness rely heavily on variable costing and rolling forecasts to manage uncertainty. A study by Costa, Freitas and Araujo (2022) suggests that hybrid costing systems combining standard and marginal costing are common in Brazilian SMEs. In India, traditional standard costing is still dominant, but large corporations are increasingly integrating strategic cost management tools

such as benchmarking and lifecycle costing, particularly in IT services and pharmaceuticals (Bhargava and Gupta, 2018). Meanwhile, in China, government support for ERP adoption has enabled greater use of ABC and responsibility accounting in state-owned enterprises, although implementation varies by industry and region (Qian, Burritt and Monroe, 2011).

*Table 2***Primary Costing Methods and Key Sector Applications by Country¹¹**

Country	Primary Costing Method	Key Sectors
Germany	Grenzplankostenrechnung (GPK)	Manufacturing, Engineering
USA	Activity-Based Costing (ABC)	Healthcare, Logistics
Japan	Target & Kaizen Costing	Automotive, Electronics
UK	Activity-Based Costing (ABC)	Services, Manufacturing
Sweden	Time-Driven ABC (TDABC)	Public Sector, Healthcare
China	ABC + Responsibility Accounting	State-Owned Enterprises
India	Standard + Lifecycle Costing	IT, Pharma, Manufacturing
Brazil	Variable + Hybrid Costing	Retail, Agribusiness

Table 2 presents a comparative summary of cost calculation methods by country, including primary methods used and the sectors where they are most prevalent.

Uzbekistan can benefit from selectively adapting these costing methods. GPK could support industrial enterprises where cost centers are clearly defined, while ABC and TDABC can enhance transparency in sectors like healthcare, logistics, and education. Moreover, integrating target costing with pricing strategies would improve competitiveness in export-oriented industries. Costing methods should align with digital infrastructure and workforce capabilities to ensure successful implementation and institutionalization.

In summation, the international experience in organizing and executing management accounting systems reveals a diverse yet converging landscape, where countries tailor methodologies to their industrial structures, cultural norms, and strategic priorities. From Germany's highly structured GPK system to Japan's dynamic Kaizen and target costing practices, and from the Anglo-American focus on strategic integration with tools like ABC and BSC to the Scandinavian emphasis on participative and sustainability-linked accounting—each model offers distinct advantages and lessons. Moreover, emerging economies like India, Brazil,

¹¹ Developed by the author

and China demonstrate the adaptive potential of hybrid costing approaches, combining traditional and modern tools to navigate economic volatility and digital transformation. The increasing use of AI, ERP systems, and data analytics underscores a global shift toward more agile, transparent, and strategy-aligned management accounting. For transitional economies like Uzbekistan, these insights provide a roadmap for designing context-specific, forward-looking accounting frameworks that enhance performance, accountability, and competitiveness. Ultimately, as the field evolves, the integration of global best practices with local realities will be crucial for building robust management accounting systems that not only support operational control but also drive strategic value creation.

6. Conclusion

Foreign experience in organizing management accounting demonstrates a wide range of methods and technologies used to improve management efficiency. The most successful practices include the use of modern information technologies, cost accounting methods, and strategic planning. It is important to note that the successful implementation of foreign practices in Russian reality requires taking into account national characteristics, corporate culture, and the level of economic development.

The study showed that the development of management accounting in foreign countries has a direct impact on improving the operational and financial efficiency of organizations. The introduction of adapted foreign methods in Russian companies can significantly improve the decision-making system and optimize the use of resources.

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