Study on Management Accounting Change Management and Innovation

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Abstract

At present, China has entered a new normal mode of economy; change management is a very important path of advancing management accounting to keep pace with the times. Obviously, management accounting change usually does not develop along with the established track, and it only relies on its own power to be completed and is executed only through change management. In this paper, management accounting change management and innovation are studied, expecting to play a role in promoting other scholars to join this study.

Keywords: Management Accounting; Change Management; Innovation

1. Introduction

At present, management accounting change management has aroused the concern of many people. This is a new innovative mechanism triggered commonly by the interaction of internal and external factors. The 21st century is an age of information technologies: a new round of technological revolution caused by network technologies makes the enterprise resource allocation modes changed greatly, and manpower, material and financial resources basically need to be reorganized, so that new tasks are raised for enterprise management accounting. In the meantime, the production and management mode and industrial structure of enterprises are also undergoing new changes, so that the management accounting reform and innovation is directly driven. Currently, China has entered a new normal mode of economy; change management is a very important path of advancing management accounting to keep pace with the times. Obviously, management accounting change usually does not develop along with the established track, and it only relies on its own power to be completed and is executed only through change management. In this paper, management accounting change management and innovation are studied, expecting to play a role in promoting other scholars to join this study.

2. Overview of management accounting change management

2.1 The function of management accounting change management

Without a doubt, most of the work, in the process of management accounting change management, will be affected by a series of factors, so that the situation of the management work tremendously changes. Therefore, in management accounting change management, it is necessary to manage the whole process from all directions and angles, to deeply analyze the

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causes and processes of the changes, and to scientifically predict the change results. Nowadays, change management has become an important product of management accounting to keep pace with the times and acquire constant development; it can promote enterprises to better comply with the development pace of the times, and provide the scientific and reasonable information for the enterprises' life and business activities: finally all decisions of enterprises become more scientific and operational.

2.2 The necessity of management accounting change

The formation theory and methods, development and termination process of the management accounting system are deeply studied: the study result is a result of management accounting change. In the 21st century, the rapid development of social economy and increasingly open market economy has driven the enterprise management activities as well as management environment to tremendously change due to the effect from various factors. Management accounting change management has become an important way to adapt to these new changes. It must be admitted that in all management work of enterprises, change management has become an integral part, but also an important guarantee to improve the market competitiveness. On the one hand, the spread of the new normal economy makes the economic development of many enterprises in China gradually slower; in order to obtain a sustained and stable development, China's enterprises have to adopt a new accounting management mode and deal with the impact from all sides. On the other hand, the rapid development of science and technology in the 21st century lets the traditional market structure severely challenged. Enterprises have undergone new changes in many aspects such as human resources, fixed assets, monetary and capitals, so that the survival pressure of the enterprises is increasing; only with the implementation of management accounting change management, the pressure may be reduced, and then conditions for enterprises to achieve economic income may be created.

2.3 The driving force of management accounting change

From the whole point of view, the driving force of management accounting change is reflected in two aspects: the driving force of execution; the driving force of structure. The driving force of structure can play a more significant effect on the management accounting change management, and therefore it is necessarily stressed more greatly. As the production and business activities of enterprises get involved in many aspects, a sustainable development will be achieved only with the optimization of all the management work. Management accounting change management has become a focus of many management activities in enterprises, so it is essential to understand the driving force of management accounting change. First, enterprises must find the management accounting development measurement basis through management accounting change management. With the development of society, enterprises in the process of innovation system have formed a series of system costs, including system adjustment fee, system implementation fee, and system design fee and so on. Certainly, new benefits will be produced after the implementation of a new system: for example, an increase of employee compensation in the implementation fee will directly mobilize the enthusiasm of the staff and promote them to offer advice and suggestions for enterprise development, thus providing
conditions for enterprises to improve economic benefits. Second, management accounting change management is a dynamic part of enterprise accounting work; because of the effect from some factors, the accounting work of some enterprise is short of theoretical guidance; but a management framework will be preliminarily formed after the implementation of management accounting change management, so as to lay a better foundation for the implementation of enterprise management accounting.

3. Bringing forth new ideas into management accounting change management modes

3.1 Making the management system innovative

To obtain a long-term development, it is necessary for enterprises to constantly improve management modes. Only in this way, the maximum economic benefits will be obtained. To consummate the management modes, a series of subsystems should be dynamically coordinated and integrated in management accounting. First, management accounting change can provide power for enterprise innovation management system. For example, scientific and effective accounting innovation rules can further help enterprises to enhance the optimization of resources allocation and production structural enthusiasm, in order to get better benefits. Second, feasible accounting change can correctly adjust various resources such as human resources, fixed assets, and monetary fund of enterprises, making the enterprise information system more authentic. For this reason, enterprises should set up a cost decision-making system to promote the development of accounting change, and think over problems from the perspective of management control and information support on the basis of continuously optimizing the management system, aiming to create a good environment for enterprise long-term development.

3.2 Broadening the accounting assumptions boundary

In the new normal mode of economy, management accounting should have the competence in aiding enterprises to solve practical problems. Appropriately broadening the boundary of the management accounting is an effective path for further giving play to the management accounting functions. Sunk cost is taken for example: at present, a lot of people see sunk cost as a cost having nothing to do with enterprise decisions: it was a cost happening in the past and difficult to recover. However, this definition should be perfectly reasonable to the market in order to gain a foothold, and it will never generate any transaction costs. It is obvious that the social economy market of China is difficult to achieve this requirement. For example, the external factors such as the development of world integration and the impact of the international financial crisis make the economic market of China apparently not to be so "pure". For this reason, enterprises should not only consider the opportunity cost and also the sunk cost before decision-making, so as to infer the enterprise total cost. Thus, it is clear that appropriately broadening the management accounting hypothesis boundary is a common method: it is of obvious innovative features.

While broadening the accounting assumptions boundary, the work necessary for enterprise to do includes optimizing the information support system, strengthening the accounting communication, correctly recognizing management accounting, applying various advanced
accounting tools, and improving the accounting work quality; actively playing the role of the accounting control system, preventing the decision-making errors caused by subjective factors, offering reasonable award and punishment for employees according to the accounting control system and motivating the enthusiasm of employees; perfecting the organizational structure of enterprises, building up an independent department responding to the impact of the market environment, which can play a buffer role when the management accounting work of enterprises is affected negatively in order to make the management accounting work safe against adverse impacts. In the meantime, enterprises need to strengthen surveys and understanding among employees for grasping their work competence and skills, and also establish employee databases: the allocation of human resources will be optimized through the database information, so as to optimize the organizational structure. Besides, it is necessary to perfect the positioning function of enterprise internal reports, timely collect, analyze and sort the enterprise internal and external information resources and then predict the future development aspects of enterprises according to these information resources and judge its effect on the management accounting work, so that the management accounting work is improved in a targeted way.

3.3 Strengthening the management environmental factors

In the 21st century, the social competition is getting increasingly fierce; each market subject is required to participate in the "combat", and "immune" enterprises almost do not exist. The rapidly-changing market environment will have a big impact on the decision-making of enterprises, and decision-making content and type also qualitatively change. For this reason, in the process of management accounting change management, enterprises must keep a rational understanding of the current external market environment, positively face the change of external environment factors, and make targeted risk prevention measures according to the change of these environmental factors, in order to take precautions and nip in the bud. At the same time, the production and management conditions of enterprises can also impact the accounting system, so the decision makers and managers of enterprises are necessarily independent of each other and should never develop nepotism. On in this way, the corruption will be prevented in enterprises. Besides, accounting information quality and accounting information demanders are necessarily combined together, and the requirements raised by different demanders for accounting are also different, so enterprises should understand the specific conditions of the main bodies applying the accounting information. After the release of the accounting information, the feedback suggestions of the accounting information users are necessarily assessed in all directions; the accounting information should be constantly improved.
4. Conclusion

As an integral part of modern enterprise management work, the efficiency of the management accounting will directly affect the production and business activities of enterprises. In the management accounting change management, enterprises necessarily keep pace with the times, study all factors affecting enterprise development and take effective measures of bringing forth new ideas into the management accounting change management. In this way, inexhaustible power will be injected into the sustained, stable development of enterprises.

References


