



Role of Management Accounting in Managerial the Decision Making of Enterprises

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ABSTRACT

The managers use management accounting information and techniques to take decisions. The decision making process of most of managers consists of economical decision making and choosing the best alternative that lead to profit maximization as well as cost and expense minimization. Management accounting measures and produces economical information which is useful to users for conscious decision making. Management accounting writers tend to present management accounting as a loosely connected set of decision-making tools. Although the various textbooks on management accounting make no attempt to develop an integrated theory, there is a high degree of consistency and standardization in methodology of presentation. In this chapter, the concepts and assumptions which form the basis of management Accounting will be formulated in a comprehensive management accounting decision Model. The formulation of theory in terms of conceptual models is a common practice. Virtually all textbooks in business administration use some type of conceptual Framework or model to integrate the fundamentals being presented. In economic theory, there are conceptual models of the firm, markets, and the economy. In Management courses, there are models of organizational structure and managerial Functions. In marketing, there are models of marketing decision-making and channels of distribution. Even in financial accounting, models of financial statements are used As a framework for teaching the fundamentals of basic financial accounting. The tactical decisions which must be preceded by strategic decisions provide the Historical data from which the accountant prepares financial statements. In addition To being statements summarizing historical transactions, financial statements may be Regarded as a descriptive model for decision-making. Every item or elements on the financial statements are the result of a decision or decisions. For each decision, a management accounting tool is exist that may be used to make a good decision. However, the management accounting tools can be used only if the management Accountant is successful in providing the information demanded by the particular Tool.

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Introduction

With the technological development in industry and the changes in production systems organizations so are faced with complex and severe changes in management That management alone cannot have enough knowledge in the organization to its environment .Therefore, there needs to be systemic system that to help management in identifying problem¹, to determine objectives, problem accurate identification , optimum solution selection, executive, control and evaluation. Management accounting information system has been developed in the same field in a manner that provides an important part of required information to management. Thus, the role of management accounting is providing useful and relevant information to help management in the planning activities, management control and rational decision making to achieve organizational.

The Management is multiple foundation of knowledge whether in area of theory or practice which means that the theories, methodology and related models are based on principles of combination of scientific subjects such as economics, statistics, psychology, management accounting etc.(Ansarian mahadi 2003).

Management accounting assists management in measuring the performance of employees in executing organizational objectives. Performance measurement is used as a basis for

rewarding performance through positive feedback, promotions and pay rises. Performance measure may be productivity per worker on which compensation may be based. Management accounting also provides data about the performance of the various sub units product lines, geographical units and divisions. These measures are important in determining whether a particular process or subunit (e.g. Quality Control Unit) in the firm is an economic viable unit.

In management literature, the important duties of managers consist of planning, organizing, leading, supervising, controlling and decision making. Some of the management philosophers consider the decision making as foundation and basis of duties of a manager and some consider decision making as one of the main duties of managers. Anyhow the importance of decision making in management has become mooted in such way that some people consider management equal to decision making. Management accounting basically helps in recording, Planning and control of activities which further aid in the decision making process. It is used as a future planning tool apart from its usage as a current record keeper. The provision of accurate, relevant, reliable and timely accounting information that will aid management in taking managerial and economic decision for the efficient management of the organization and the attainment of the overall organizational goals and objectives.

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While taking decisions, accurate and on time information helps a manager to take appropriate decision regarding planning, organizing and controlling.

This information is based on various effective and decision making systems of management accounting.

The management Accounting is considered to be one of the most important key of problem solution of any organization in financial decision making process. Its objective is to provide necessary information to the managers at different levels. This information helps them in discharging their responsibilities in an effective and efficient manner in the areas of planning, resource control, performance evaluation and decision making.

History of Managerial Accounting

Managerial accounting has its roots in the industrial revolution of the 19th century. During this early period, most firms were tightly controlled by a few owner-managers who borrowed based on personal relationships and their personal assets.

1. Since there were no external shareholders and little unsecured debt, there was little need for elaborate financial reports. In contrast, managerial accounting was relatively sophisticated and provided the essential information needed to manage the early large scale production of textile, steel, and other products. After the turn of the century, financial accounting requirements burgeoned because of new pressures placed on companies by capital markets, creditors, regulatory bodies, and federal taxation of income. Johnson and Kaplan state that "many firms needed to raise funds from increasingly widespread and detached suppliers of capital. To tap these vast reservoirs of outside capital, firms' managers had to supply audited financial reports. And because outside suppliers of capital relied on audited financial statements, independent accountants had a keen interest in establishing well defined procedures for corporate financial reporting. The inventory costing procedure adopted by public accountants after the turn of the century had a profound effect on management accounting. As a consequence, for many decades, management accountants increasingly focused their efforts on ensuring that financial accounting requirements were met and financial reports were released on time. (Badri Ahamad 1994)

The practice of management accounting stagnated. In the early part of the century, as product line expanded operations became more complex, forward looking companies saw a renewed need for management-oriented reports that was separate from financial reports. But in most companies, management accounting practices up through the mid-1980s were largely indistinguishable from practices that were common prior to World War I. In recent years, however, new economic forces have led to many important innovations in management accounting.

What is Management Accounting?

Managerial accounting is concerned with providing information to managers-that is, people inside an organization who direct and control its operation. In contrast, financial accounting is concerned with providing information to stockholders, creditors, and others who are outside an organization.

Managerial accounting provides the essential data with which the organizations are actually run. Managerial accounting is also termed as management accounting or cost accounting. Financial accounting provides the scorecard by which a company's overall past performance is judged by outsiders. Managerial accountants prepare a variety of reports. Some reports focus on how well managers or business units have

performed-comparing actual results to plans and to benchmarks.

Some reports provide timely, frequent updates on key indicators such as orders received, order backlog, capacity utilization, and sales. Other analytical reports are prepared as needed to investigate specific problems such as a decline in the profitability of a product line. And yet other reports analyze a developing business situation or opportunity. In contrast, financial accounting is oriented toward producing a limited set of specific prescribed annual and quarterly financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Managerial accounting is managers oriented therefore its study must be preceded by some understanding of what managers do, the information managers need, and the general business environment.

The managers use management accounting information and techniques to take decisions. The decision making process of most of managers consists of economical decision making and choosing the best alternative that lead to profit maximization as well as cost and expense minimization. Management accounting measures and produces economical information which is useful to users for conscious decision making.

Management accounting writers tend to present management accounting as a loosely connected set of decision-making tools. Although the various textbooks on management accounting make no attempt to develop an integrated theory, there is a high degree of consistency and standardization in methodology of presentation.

In this chapter, the concepts and assumptions which form the basis of management

Accounting will be formulated in a comprehensive management accounting decision Model. The formulation of theory in terms of conceptual models is a common practice.

Virtually all textbooks in business administration use some type of conceptual Framework or model to integrate the fundamentals being presented.

In economic theory, there are conceptual models of the firm, markets, and the economy. In Management courses, there are models of organizational structure and managerial

Functions. In marketing, there are models of marketing decision-making and channels Of distribution. Even in financial accounting, models of financial statements are used As a framework for teaching the fundamentals of basic financial accounting. The Model, $A = L + C$, is very effective in conveying an understanding of accounting.

Management accounting texts are based on a very specific model of the business Enterprise. For example, all texts assume that the business which is likely to use Management accounting is a manufacturing business. Also, there is unanimity in Assuming that the behavior of variable costs within a relevant range tends to be Linear. The consequence of assuming that variable costs vary directly with volume

Is a classification of cost into fixed and variable? A description of the managerial Accounting perspective of management and the business enterprise will help put in Focus the subject matter. (Bahramfar Taghi&Rasoli valiollah ,1999).

From a management accounting point of view the primary purpose of management is to make decisions that may be classified as marketing, production, and financial.

The tactical decisions which must be preceded by strategic decisions provide the historical data from which the accountant prepares financial statements. In addition to being statements summarizing historical transactions, financial statements may be

Regarded as a descriptive model for decision-making.

Every item or element on the Financial statements are the result of a decision or decisions. For each decision, there Exists a management accounting tool that may be used to make a good decision.

However, the management accounting tools can be used only if the management accountant is successful in providing the information demanded by the particular Tool.

The researcher is interested in analyzing the impact of management accounting methods and techniques on managers' decision making. The researcher further intends to find out in what way the management Accounting information can be utilized optimally by the managers to take decisions effectively. Such information should have following characteristics:

1. Easy to Understand:

The management accounting information should be easy to understand to all the managers working at different levels. The financial knowledge and information producing method is related to this specification.

2. Relevance

The management accounting should be related to understanding problem and taking decisions. The information should help the managers in comparing various aspects of past and the present.

3. Dependable

The management accounting should be dependable. It must be complete, accurate and precise in all respect. Otherwise the decisions based on incomplete and wrong information will also go wrong and the organization will eventually suffer.

4. Comparable

The managers should be able to compare the management accounting over time and also could compare the financial position and operation results of their enterprise with other companies.

Relevance of the study

The management accounting in more expanded definition consists of information providing for financial and economical decision making. In fact, management accounting systems with collecting and processing information will cover requirements of decision makers and do great help to managers in their financial decision making. The organization is required to make the investment decision, the financing decision and the dividend decision. An optimal combination of these three decisions maximizes the value of the firm. So it becomes the responsibility of the top financial executive to provide the basic framework relating to these three decisions. So with the help of an accurate accounting system these objectives can be achieved.

Management accounting information systems are important because it is used both by the internal as well as external stakeholders. Management accounting techniques and methods cause relation among different sides of economic situation of one commercial unit and enterprises and provide this possibility that accounting information of different enterprises become comparable with each other. The important and considerable point of using management accounting methods is that they are like thermometers that show the temperature of ill person without determining the cause of illness and financial analysts are those, who with their intelligence are able to assess the potency and weakness of enterprises. There is a dire need of study of accounting information systems.

Management Accounting Objectives

Financial accounting is typically used for documenting a company's financial transactions and keeping a record of its financial growth. Financial accounting is a fairly passive form of accounting. In contrast, management accounting is involved in

the strategic planning of companies. Management accounting is focused on the future and how to make improvements that will result in better performance and greater profits for the company. For these reasons, management accounting is of great importance to businesses in competitive environments that need to constantly improve their processes and procedures. Management accounting has three main objectives that allow managers to make improvements and plan for the future: measuring performance, assessing risks and allocating resources. (Rahman, M, and Halladay, M. 1998).

The importance of management accounting techniques and methods is obvious to anyone and majority of the companies have established accounting information systems due to legal necessities and are using the accounting information system decision making process. These establishments generally have put more expenses for enterprises therefore there should be optimum use of this information. The studies that have been done on use of Management Accounting systems have revealed that most of users emphasis on difficulties and obstacles of present management accounting techniques and methods.

Measuring Performance

Management accounting is concerned with measuring performance in businesses. There are two types of performance that are typically measured. The first is employee performance. This can mean assessing whether an employee has been an efficient producer or it can mean using accounting methods to determine if a manager has attained certain goals in order to receive a bonus. The second performance measurement is the measurement of efficiency. This is concerned with how efficiently resources, such as capital, worker hours or materials, have been used. Both types of performance measurement can be used to make corrections in order to improve performance.

Assessing Risks

- Risks are an integral part of business. Taking risks can result in major losses, but being constantly risk-averse can result in missed opportunities. An objective of management accounting is to assess risks in order to maximize profits. An example of this would be determining the percentage of high- risk loans that a bank should make. A management accountant can identify a safe range in which the bank can expect to make profits without running the risk of collapse if the loans are defaulted. It can also be used for assessing the amount of money that should go into certain projects based on their expected return.

Allocating Resources

Resource allocation is important to any organization. Decisions need to be made about which projects to pursue, which products should be produced and how portfolios should be designed. An objective of management accounting is to provide a method for allocating resources. Management accountants will determine the most efficient way to divide resources and maximize profits. For example, a management accountant should be able to tell you the most efficient product portfolio for a manufacturer based on resource availability, selling price, manufacturing time and consumer demand. This information is vital to efficient production within an organization.

Role of Management Accounting

The role of management accounting in shaping an enterprises' financial reporting system is evidenced in several studies. In the enterprises with a strong and sophisticated management accounting system, active participation of the management accounting in financial reporting regulation is common.

Two roles played by the management accountant are

commonly highlighted

The role of bookkeeper and the role of decision-making facilitator. Each of these roles may be associated with both benefits and risks. (Bahramfar Taghi&Rasoli valiollah, 1999).

The book keeper management accountant must “ensure that the financial data of a business

unit is fair and that internal control practices comply with procedures and the company’s

Policy”. The benefit tied to the bookkeeper is that this role ensures accurate information and financial reporting about an entity and its activity.

The risk is that the bookkeeper may be seen as an ‘outsider’, thereby making any ‘before the fact’ control difficult to achieve.

The role of aiding decision making makes mid-level operational managers the primary clients of management accountants. Here, the accountant’s main task is to provide managers with data required for self-control. The benefit associated with this style of management accounting function is its contribution to business decision making. However, the management accountant’s involvement can also stifle operational management initiative and creativity. According to Sathe (1983), a firm has no other choice but to count on the local management accountant to be an effective local guardian. Yet, management accountants are increasingly required to develop a business-oriented role (Jadidi Abas 2003).

It Is the role of ‘policeman’ consistent with the role of active participant in the business decision making process? Can the accountant effectively wear both hats at the same time, one requiring a degree of involvement with affiliated management and the other a degree of independence from the same? This question has become even harder to answer since

Mouritsen’s (1996) research found that accounting departments’ work is relational. Building on Simon et al.’s (1955) and Hopper’s (1980) theses that issues of involvement–independence relate to decentralisation–centralisation, Mouritsen’s findings suggests that organizational structure only marginally influences the work of accounting departments. Rather, accounting departments’ work should be explained as a relationship between them and other managers in the firm .It varies according to organizational circumstances but with the important caveat that management accountants’ positions are not ‘determined’ by themselves. Instead, the work they produce results from the interplay between the aspirations and expertise mobilized by accounting departments and the responses to their actions from top management and line functions. The work carried out by accounting departments is the product of interrelationships between situated managers.

The Concept of Role-Most research on management accountants’ roles focuses on studying their individual characteristics. Surveys of management accountants in both the USA (Siegel & Sorensen, 1999) and the UK (Burns & Yazdifar, 2001) indicate a broadening of roles and the importance of both analytical and social skills in these roles. Coad (1999) argues that management accountants can live up to demands for more pro-active involvement and role innovation as long as they possess or can develop a learning goal orientation. Byrne and Pierce (2007) show that a number of individual characteristics—including business knowledge, interpersonal and communication skills, IT skills, technical skills, flexibility, personal qualities, monitoring skills and organizational influence—help explain management accountant roles (Byrne & Pierce, 2007). Management accountants can exert considerable influence over how their own roles are designed and a management

accountant’s ability to shape his role is linked to his individual attitudes, personality and initiative. (Nik Bakhat Mohamad Reza&Banki Zahra ,2011).

These studies take management accountants as individuals. However, to fully understand an individual management accountant’s actions and behaviors and the actual role he plays in a given organization, we should account for his belonging to a group (the management Accounting function) (Anthony, 1988). To a large extent, the function’s overall positioning Can explain the role played by management accountants themselves (Järvenpää, 2007). For example, Järvenpää (2007), using a case-study approach, examines how corporate culture affects and facilitates the management accounting function’s growing business orientation in an organizational context, demonstrating that accounting practices are woven into an organization’s cultural fabric and into a broad range of diverse practices that make up its Business orientation. These findings suggest that management accountants belong to the management accounting function and that their individual positioning and role are determined, to a large extent, by the positioning of the management accounting function Within the organization.

The concept of role enables us to tie together individual and organizational as often done in both sociological literature) and in the field of psychology.

According to Katz and Kahn (1966), the concept of role lies at the heart of any analysis of an organization, at the crossroads between sociology and psychology. Role binds together the macro and micro dimensions inherent in all human organizations, being “at once the building block of social systems and the summation of individual demands”.

However, role cannot be observed in a Contrary to Katz and Kahn’s wishes, the great majority of research focusing on role and using concepts defined by Katz and Kahn (notably, role conflict and ambiguity of roles) has tended to pertain to the field of psychology, quickly dropping the sociological dimension present at the outset.

Recent research on management accountants has also taken this route. Such a psychological reading of role conflict is measured on a scale, thereby assuming that roles played by individuals within organizations are identified beforehand in a comprehensive manner direct way. According to Katz and Kahn what “is organized are acts—the behaviors of people acting on materials, acting on machines, but above all interacting with Each other”. We understand role by simply observing interactions and activities.

Understanding the role of a social group, therefore, requires us to study interactions within This group and with other groups, as well as studying the activities of members who make up the group.

Importance of Management Accounting

The issue of accounting in a business administration is an issue that is on everyone’s lips because the accounting is a social science fundamental to the development of the company, and that is why this article will address the relevance of the accounting applied to a process of preparing a new scheme that relate systemically current social problems and the development of a ampresa.(Mirhousini Seyd Housin, 2013)

It is very important that we know that for some years are working and conceptualizing about a term that frames this issue fully, examining problems social, economic and environmental, such as those for the sustainable development of a company that can be carried out using the same accounting management. We must be aware of the importance of management accounting applied in a business entity as well, accounting management, is

an essential tool for the development of individuals and society make.

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Also generally a lot of people who have no idea of management accounting how some irresponsible acts committed in the accounting management of an institution contribute to the deterioration of it has even been shown that since man became involved in financial and business matters are has been sloppy and unconscious use of accounting and due administration has this, there have been groups of trained professionals in order to use the correct accounting management in each company, helping, to reach the goals set for it.

Such is the importance of accounting in business administration, currently various pressures exerted by investors for each business entity to conduct proper accounting management within the administrative environment. Since the degradation of the housing management accounting leads to a loss of quality not only in products marketed it, but also in the development of the resources used to achieve each goal, so have been looking for different mechanisms that can help your improvement and recovery especially considering that this administration and its improper accounting jobs, is a problem that affects all business reality, companies and operators of resources to develop a good management accounting, have had to rethink again and again the way in which produce and sell different products, thus participating in an activity that only aims at the perfection in terms of administration sector accounting of each company.

The term "management accounting" can be defined as the use of different accounting techniques to be accountable and measurable in monetary terms of all those resources that a company has for its development.

The main aim of managerial accounting is to improve the efficiency and quality of operations by providing program owners and all others with suitable and applicable cost based performance information to permit for nonstop improvement in distributing the output to outcome the stockholders (allbusiness2007 [online]). Managerial accounting has been developed and used with all from the beginning times to help all the directors to understand the costs of running a project (Garrison Brewer nd). Modern managerial accounting is created during the industrial revolution during the difficulties of running a large scale business which show the way to the development of scheme for recording and checking costs to help business proprietors and managers to finalize and make conclusions. So, to conclude, for any business unit starting from the smallest business activity to the largest multinational business to be succeeded requires the use of managerial accounting concept and practices (Hendrik 2005). This accounting provides data to owners for preparation and scheming of rating products and services for customers too. The main focus of managerial accounting is to help the managers for making better decisions. Because of all these reasons, businesses and organizations hire on managerial accountants and thereby, they are becoming integral persons of decision making teams instead of just data providers.

Managerial Accounting –Decision Making: Relevant Costs & Benefits

When you have a choice between two or more alternatives and you have to select one, you are making a decision. If there is no choice, you will have to simply follow or obey. So a decision implies a selection, a choice, a verdict or a nod.

In everyday life, decisions are made. A personal decision affects an individual but organizational decisions cause a change, good or bad, to a lot many people known as stakeholders. So decision making in an organization must be systematic and not off the cuff. A good executive must be good at decision making. (Talaneh Abdul reza&Hamezeh Nakhjavani, 1993).

Decision making

A formal definition of decision making by Wikipedia.org is given below:

Decision making can be regarded as an outcome of mental processes leading to the selection of a course of action among several alternatives. Every decision making process produces a final choice. The output can be an action or an opinion of choice. It may be noted that every decision involves a certain degree of risk. Very few decisions are made with absolute certainty. So a good decision would be to choose a solution with the highest probability of success and in accordance with the goals, desires, lifestyle and values etc.

Relevant Cost and benefits

Relevant means linked or concerned. If an event has nothing to do with a situation, it is not relevant. Marble processing units at Karachi may suffer because of unrest in a far-off area like Swat. It would be **relevant** as Swat supplies marble rocks. But turmoil in Hyderabad, a town much near to Karachi than Swat, would be **irrelevant** for the marble units.

Any decision must be evaluated under cost-benefit criteria. The benefits must be more than the cost except in social projects where benefits may be equal to cost. Benefits can be in the form of cash return, perks, advantages, customer's satisfaction or reputation of a company. While cost means value, worth or sacrifice made.

Only relevant cost should be considered. CIMA defines relevant costs as: 'the costs appropriate to a specific management decision' A study of relevant costs and benefits helps make better decision?

Six steps in decision making process and Management Accounting Role

1. **Clarify the decision problem.** One must be clear about the problem. One must look for the root cause or hidden problem rather than the apparent problem. Some skill is required to define a problem in such terms that can be addressed effectively.
2. **Specify the criteria.** After clarifying a problem, criteria must be specified for decision-making. What is the objective: maximize profit, increase market share or social service.
3. **Identify alternatives.** Explore all alternatives, their pros and cons. This is a critical step in the decision making process.
4. **Develop a decision model.** This is a simplified version of the problem. No irrelevant information, only factors relevant to the problem is highlighted. It brings together all elements of a problem like the criteria, the constraints, and the alternative.
5. **Collect the data.** Relevant data must be collected to incorporate objectivity in the process. It may be primary data or secondary data. But it must be up-to-date, timely and accurate.
6. **Select an alternative.** One all formalities are completed, requisite information obtained and processed, a most suitable or appropriate choice should be selected. (Khatami Mohamad, 1996)

Management Accounting Challenges

In the early 1980s, usual techniques and practice of management accounting was not able to meet the urgent needs of the organizations, especially organizations in global level. Even some of accounting writers, especially Kaplan (1984, 1983) and Johnson & Kaplan (1987) have criticized the situation and count the challenge for management accounting. The most important challenges are, briefly, as follows :(Namzai Mohammad, 2012).

1. Failure to provide new technology in accounting management accounting

The organization and management need particularly financial needs shall be meeting by introducing relevant and suitable techniques at any time. But in the early 1980s despite huge advances in technology and the advent of new technology products in 1970, management accounting could not manage and provide a proper accounting techniques in field of collecting financial and non-financial data, cost precision and cost allocation of products and practice in accordance with the traditional methods of cost accounting in the early 1900s. Therefore, the techniques that could provide required information such as productivity, product quality, reduce order time and product design into a unified manner, management accounting has not been presented and management accounting has moved away from organizational change.

This matter was very important because the important things such as price, product pricing, accept or reject the order, and the relative and lateral competitiveness of companies in the international arena could not be done properly, resulting in organization' financial management would be severely compromised.

2. Eclipse Management Accounting

While the managers needs management accounting information to perform managerial tasks such as planning, control, responsibility assessment, budgeting and decision-making and the use of financial accounting information only is not sufficient. Attention to external reporting and accountability to the tax authorities causes accountants be unaware of managers' important needs of current and future. . As a result, management accounting has been under the financial accounting realm and is unable to achieve its full growth.

Moreover, in some cases where management accounting information is provided, the information is mostly dense and do not provide on time.

This issue not only greatly reduces the usefulness of management accounting information, but also endangers the global competition.

3. Lack of connection between theory and practice

In the early 1980s, most of the academic management accountants were avoid of practice in researches and studying issues related to the management accounting .

Many of them are designed to streamline patterns were much summarized and simple that was very away from reality world, or act to develop mathematical and statistical models and complex patterns were largely not only difficult to understand, but also they lacked practical application.

The relationship between accounting practice and university accounting professors was not satisfactory.

As a result, there was a split between management accounting theory and practice, and the many practical problems of the organization were left without a solution.

4. The emergence of management accounting

The fourth challenge is related to the history of genesis and evolution of management accounting. Management accounting

had been under stagnancy.

Kaplan (1984, 1983), for example, claims that management accounting is not new and its emergence it goes back at least to the mid-19th century.

Kaplan and Johnson (1987) also argue that the majority of management accounting techniques in the 1980s, in fact, were introduced and discovered till 1925 and although techniques of cash fellow value related to the long-term investment and residual income came into existence in 1960.

But often rising of management accounting techniques that cause for prodigious revolution regarding founding and providing a new methods that include information technology advancement, customer satisfaction, enhance the quality of product and international competition.

Management Accounting opportunities

Top challenges led assemblies and also some accounting researchers follow the interesting research in this field. In this regard The Kaplan (1992, 1984, and 1983) has a significant role and calls for a revolution creation in management accounting.

He converts the above said first, second and forth challenges in to opportunity by introducing and development operation bias costing system and recommends the field studies for solving third challenge.

Bramvych and Bhymany (1989) begin to review experiences in the field of management accounting techniques introduction this study sponsored by the Institute of Chartered Accountants of England.

They examine various companies including Japanese companies and came to the conclusion that there is not any positive empirical evidence of positive experiences regarding first challenge of management accounting i.e. The failure to provide new technology, This means that although all industries have not used the new technology however, some of the companies have been enjoyed of well technology innovation and creativity in the field of management accounting.

Finally Bhymany and Bramvych and have concluded that management accounting, particularly in the UK, do not need for revolution that what Kaplan & others say.

But it is a gradual evolution process that can be reaching to degree of perfection with use of strategic management. Management accounting is a modern way that to turn challenges into opportunities. New opportunities lie in the company's competitive advantage.

This competitive advantage includes management accounting information for management planning and implementation of strategies to access to global competitive advantage. This is different from traditional management accounting method that management accounting information is used for planning and controlling operations.

The main components of the new management accounting systems, includes product quality, time, inventory valuation, customer satisfaction, control, and costs reduction in the form of competitive advantage.

Strategic management accounting, is used to describe a new techniques in order to help managers to pursue their competitive edge, and consisting of the following three methods:

To introduce activities accounting. This phenomenon is associated with an emphasis on new techniques that are based on the activity. Three types of activities accounting can be outlined as follows:

- i) Costing based on activity.
- ii) Costing management based on activity.
- iii) Budget based on activity.

2. Strategic Management Accounting: strategic management accounting is the collection, classification, summarization and analysis of financial and non-financial information concerning the Company's operations and also, its competitors so that this information can be useful in formulating corporate strategy.

3 - Advanced manufacturing technology accounting: the basic objective of most accounting techniques of AMT is in this issue. Accounting of advanced manufacturing technology emphasizes on the development of accounting data within an organization that will be used in strategic decision-making process. It emphasizes on continuous process improvement, promising competitive advantage in terms of cost-effective management and efficient production.

Role of management Accounting in organization goals achievement

Nowadays, organizations have different goals and may even be eligible of being a combination of goals. Therefore, a comprehensive and uniform rules cannot be developed for all organizations the objectives that repeatedly are emphasized by organizations, including of:

- An acceptable level of profitability (profitability)
- Growth
- Financial self-sufficiency
- market diversification
- social services
- observance of social responsibility (environmental protection).

Regardless of the organizational objectives can contain which one of the above, matters Management function is to ensure achievement of determined objectives.

Nowadays unconsidered and unstructured achievement to the goals that are including of changes in structural elements Technologic, objectives and functional applicable patterns

Will making the organization undergoing to the Reacting and crisis subject to various causes. The following factors set have made the goals advancement of organization goals difficult and complicated for managing the organization today :(Noravesh Eraj& Mashaekhi Bita ,2012)

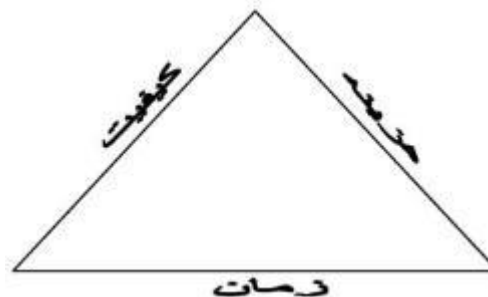
1. Organizations as open systems are subject to serious risk of their environment and internal effectiveness. Elements and factors such as incremental technology improvements, economic development, intertwined and complex networks of trade, the responding issues to market demands and Passing through the maze of competing challenges, steward rules and regulations have made the improvement of organization's performance goals more difficult.

2. Today's organizations are faced to the phenomenon of conflict and contradict between the various components forming the entire system i.e. the sub and its subsystems. This contradict that arises, in result of factors such as differences in the perception and understanding of the conflict, ideas and norms, goals, values and attitudes of managers depending on different parts of the organization, roles and responsibilities, and the like in the confusion avoiding feature that should be resolved or admired with management mechanization.

3. Organization as a dynamic phenomenon, are always subject to change. The mystery and Salvation from the issues and goals achievement of the organization in the existing complex and onerous conditions is the rational management program that will be possible Relying on Reassuring. In this regard the management accounting information system is one of providing information methods. Management accounting is a branch of accounting that has been designed to meet managers and organizational internal authorities and prepares a variety of operational and financial issues. This information that are

prepared in the form of Detailed reports are interpreted, translated and used by management but it is mentionable that, the success of management accounting depends on that with providing accounting information, to what extent the managerial decision making, will. It not on be improved therefore to provide information merely cannot assist management in its responsibilities, but the provided information should possess characteristics (e.g., relevance, timeliness, accuracy, importance, being comparable) that management can use them in decision making process. If management accounting fails to provide information needed by management with necessary quality in such way that is useful in managerial decision making the aforesaid systems does not any effectiveness, but will have costs imposition to the organization. Therefore quality of the information provided is vital and should be given attention.

The main objective of management accounting, assisting to organization in its strategic goals achievement. To realize these goals, fulfills the needs of customers and other stakeholders. As a result, the organization with achieving these goals can find its position and can distinguish itself from other competitors. To satisfy customers and to compete with other producers must emphasize simultaneously on three elements i.e. quality, cost and time... These three elements forming the triangular of strategic that are difference form an organization to another organization or a product to another product, different (see Figure 1).



Q) Quality: is overall customer experience of a product and include the physical characteristics (features, flexibility), serving (service after sales and after-sales service functions).

Cost: includes used resources by producers and their supporting organizations such as suppliers and vendors. Production costs are included total costs of production to after-sales service costs.

Time: the time the product is delivered to the customer or the company will spend to make its products in accordance with customer requirements and be able to provide it to market.

In fact, it can be said that the management accounting system, through the provision of appropriate information, assets organization in the field of quality, cost and time in direction of organizational goals.

Conclusion

With the development of technology and industry changes in production systems, organizations are faced with such complex and profound changes that the management alone cannot have sufficient knowledge about his environment in an organization. Thus, it is essential that the system be created to assist management in order to identify problems, set goals, identify the problems precisely, to define possible solutions, evaluating these solutions, selecting optimum solution. Management accounting information system has been developed in this field. So that it provides an important part of information management requirements. Hence the role of management accounting, including the preparation and presentation of relevant and useful information to assist management in

activities planning, management control and rational decision making for organizational objectives realization.

The secret to achieving goals in environments complex and difficult conditions is to determine the correct policies, strategies and managers' rational decision making. In this regard, management accounting systems is of particular important as the main source of information for purposes of providing the strategic objectives of organization. Therefore, any inefficiencies and weaknesses in the system reduces the efficiency of the organization and create many problems. Due to the potential and actual capabilities and restrictions contained in any economic organization, management accounting as a controlling techniques, impartially do for assessment and judgment of past performance and future prospects of management and evaluate the degree of efficiency, effectiveness and economy of operations of any size, scope and form. In this article there has been tried with stating suitable methods the effective and usefulness of management accounting information in managerial decision making be shown.

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