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Advanced Methodological Frameworks for the Implementation of Managerial Accounting Practices in Emerging Market Economies

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Abstract: The article is devoted to the analysis of methodological approaches to implementing managerial accounting in emerging markets. The purpose of the study is to identify barriers and conditions for successful adaptation of tools, as well as to demonstrate how practices tested in developed economies can be transferred to a new institutional context. The research applies analytical and comparative methods based on the consolidation of empirical and conceptual studies in the field of strategic management accounting, management accounting systems (MAS), and the Balanced Scorecard (BSC). The results show that the effectiveness of managerial accounting adaptation depends on institutional constraints, workforce shortages, and the level of digitalization, while organizational culture and staff training play a key role. The practical significance lies in the proposed methodological framework, which includes indicator diagnostics, the integration of comprehensive accounting systems, and phased digitalization, enabling companies to improve performance under resource limitations. The article will be useful to researchers, consultants, business owners, and managers operating in emerging economies.

Keywords: managerial accounting; emerging markets; methodological framework; automation; business efficiency; financial control; scalability

Introduction

Emerging markets are occupying an increasingly prominent place in the global economy, creating significant potential for growth and investment inflows. However, their institutional and organizational environments largely remain less mature compared to the economies of developed countries. This is also reflected in the system of management accounting, which in most companies remains fragmented and limited [2]. Under such conditions, it is difficult for businesses to rely on accurate data for decision-making, which reduces their ability to compete effectively and increase productivity.

One of the key problems is the limited level of financial literacy and managerial competence among business owners and executives. A lack of basic understanding of the principles of modern management accounting leads to management often relying on intuition or the simplest forms of reporting, which do not allow for a deep assessment of operational effectiveness. A significant constraint is the weakness of the institutional environment. In emerging economies, a stable tradition of professional associations for accountants and analysts is rarely formed, and regulatory requirements for management reporting are minimal. Without external pressure from investors or the state, many companies do not feel the need to develop comprehensive management accounting systems [9].

Another factor is the shortage of qualified personnel. There is a palpable deficit in the market of specialists who are proficient in modern methods of management analysis, which hinders the implementation of more complex tools. Companies are forced to rely on accountants trained mainly for tax and financial accounting tasks, while managerial functions are neglected. An equally serious problem is the low level of digitalization [1]. In most organizations, automation systems are limited in scope and are oriented towards fulfilling regulatory requirements. The use of outdated or local software solutions complicates data integration and makes management reporting laborious and prone to errors. As a result, enterprises do not receive timely and accurate information for strategic and operational management.

All the barriers listed show that the implementation of management accounting in emerging economies cannot be a simple replication of Western practices. A methodological approach is required that includes consideration of local specifics, adaptation of tools, and the creation of an internal culture of working with data. At the same time, the accumulated experience of developed countries remains a valuable resource that can accelerate the process of forming effective accounting systems. The practices of budgeting, cost analysis, KPI construction, and the implementation of integrated scorecard systems have proven their effectiveness and can be successfully applied in new contexts, provided they are correctly configured.

The objective of this study is to analyze the methodological approaches to implementing management accounting in countries with emerging markets, to identify the main barriers and conditions for successful adaptation, and to show how traditional tools can be transformed to increase the efficiency and profitability of companies in conditions of limited resources and a weak institutional environment.

Materials and Methods

The methodological foundation of this study is formed as an analytical review and a comparative consolidation of results presented in a number of empirical and conceptual works. The objective is to identify methodological approaches to the implementation of management accounting in the context of emerging markets, based on the factors, barriers, and institutional constraints recorded in the academic literature.

The study by Dahal R. [1] emphasizes the role of management accounting in ensuring the quality of management decisions and the growth of effectiveness, which sets the initial framework for the analysis. Gyamera E. [2] demonstrates that the use of management accounting in small and medium-sized businesses is associated with the influence of information technology, thus defining the technological vector of the methodology. Huynh Q. L. [3] and Nguyen T. M. A. [6] expand the research field by considering environmental management accounting, showing the importance of adapting methods to sustainable development in emerging economies. Nguyen T. H. [4] identifies specific barriers to the implementation of environmental management accounting in the industry of Vietnam, which illustrates institutional constraints. The substantive part of the analysis is based on strategic management accounting. The study by Nguyen T. H. [5] identifies contingent factors influencing the application of strategic management accounting in manufacturing companies, while Nik Abdullah N. H. [7] and Ojra J. [8] offer a systematization of practices and research directions in strategic management accounting. These approaches are supplemented by the results of Quang Hung B. [9], where the link between market orientation, management accounting systems, and performance is empirically confirmed. Of particular importance are the applied models for implementing tools. The study by Ta T. T. [10] found that the balanced scorecard has a significant impact on operational efficiency, provided that organizational and personnel factors are taken into account. Tran P. T. K. [11] shows that organizational culture modifies the effect of key determinants of management accounting in telecommunication companies, expanding the methodological framework by including cultural variables.

A limitation of the study is the exclusion of a quantitative meta-assessment. The analysis is synthetic in nature and concentrates on the qualitative consolidation of confirmed factors and methodological solutions. This approach allows for the construction of a holistic picture of the applicability of management accounting in the context of emerging markets. The methodology under consideration assumes a research cycle of implementation: formulating hypotheses about key indicators, pilot testing in a limited unit, measuring the effect before and after implementation, and subsequent scaling to the entire organization.

Results

The formation of a conceptual basis for implementing management accounting in emerging economies requires the systematization of strategic tools that have proven their effectiveness in mature countries. The study by Ojra J. [8] proposes a classification of strategic management accounting techniques, grouped into clusters, each reflecting a specific management task. This approach provides an initial framework for analysis and adaptation. Table 1 systematizes the SMA clusters and techniques.

Table 1 – Clusters and techniques of Strategic Management Accounting (Compiled by the author based on sources: [4, 7, 8])

SMA Cluster	Examples of techniques
Strategic costing	Attribute costing; life-cycle costing; target costing; quality costing; value chain costing
Planning, control and measurement	Benchmarking; Balanced Scorecard
Strategic decision-making	Strategic pricing; strategic costing; brand valuation
Competitor accounting	Competitor cost assessment; monitoring of competitor positioning; competitor performance appraisal
Customer accounting	Customer profitability analysis; customer lifetime value; customers as assets evaluation

The systematization presented in Table 1 shows that SMA covers both classical cost calculation and tools directly related to a company's market position. Unlike traditional management accounting, which is aimed at internal control, SMA integrates external factors—customer behavior, competitor dynamics, and pricing strategy. These conclusions are supported by a broader body of research. For instance, Nguyen T. H. [5] shows that the application of SMA in manufacturing companies in Vietnam depends on contingent factors, including market turbulence and the availability of qualified personnel. The work of Nik Abdullah N. H. [7] systematizes the directions of SMA development, with an emphasis on the need for a strategic alignment of methods with the organization's business model. Ojra J. [8] emphasizes that it is the strategic role of management accounting that determines its impact on performance, not the mechanical use of individual tools.

Of particular interest is the linkage of SMA with the technological context. The study by Gyamera E. [2] found that information technology enhances the effect of applying strategic tools, allowing for the formation of more accurate performance measurement systems. Similarly, Dahal R. [1] demonstrates that management accounting, when integrated into the decision-making process, becomes a factor of organizational effectiveness.

As a result of the analysis, it was established that the adaptation of SMA in emerging economies should be based on the basic classification of Ojra J. [8], but its practical significance is manifested only when considering contingent conditions, strategic interconnections, institutional constraints, and technological factors. This approach allows for the transfer of Western practices into an environment where institutional and personnel barriers limit the application of management accounting.

An analysis of the dynamics of market orientation and its influence on the performance of companies in emerging economies reveals the key role of management accounting systems (MAS) as a mediator. The study by Quang Hung B. [9] shows that customer orientation and competitor orientation directly enhance the use of MAS across four dimensions: scope, timeliness, aggregation, and integration. In turn, the use of MAS is positively related to company performance. The system acts as a full mediator [11]. Table 2 examines the key relationships between market orientations, the use of management accounting systems, and company performance.

Table 2 – Relationships between market orientation, MAS, and firm performance (Compiled by the author based on sources: [2, 6, 9])

Relationship	Direction of effect
Customer orientation → MAS use	Positive
Competitor orientation → MAS use	Positive
MAS use → Firm performance	Positive
Customer orientation → Firm performance	Fully mediated by MAS
Competitor orientation → Firm performance	Fully mediated by MAS

The analysis shows that customer and competitor orientations enhance the use of MAS in dimensions such as scope, timeliness, aggregation, and integration [9]. The application of MAS, in turn, positively affects company performance, which confirms the central role of management accounting in translating market attitudes into practical management decisions [4]. It is important to note that the direct links between orientations and performance weaken and become fully mediated when MAS is included, which indicates their instrumental nature. The results obtained are consistent with broader research findings, where management accounting is viewed as a mechanism for improving the quality of management decisions and as a factor linking market strategies with financial efficiency [2].

Thus, the results indicate that in emerging markets, customer and competitor orientations in themselves do not guarantee an increase in performance. To form an analytical culture in practice, it is advisable to use demonstrative examples. Such examples include weekly reviews of coefficient analysis of customer segments, cost-volume-profit calculations for product lines, and variance analysis for the sales budget. These exercises allow managers to see the direct link between analytical data and management decisions and to record tangible improvements in planning accuracy and resource allocation in a short period. A sustainable effect arises only in the presence of a systemic mediator—the MAS, which translates external strategic attitudes into measurable managerial and financial results.

Discussion

The analysis showed that the factors for implementing management accounting systems vary depending on the context and the type of tool. The study by Ta [10] established that in Vietnamese listed companies, all the predictors studied—organization size, organizational culture, manager awareness, accountant competence, implementation costs, and the benefits of using the BSC—are positively related to the adoption of the balanced scorecard. A higher level of its use is associated with an increase in operational efficiency, which confirms the importance of comprehensive control systems in ensuring effectiveness.

The study by Tran [11] revealed that in the telecommunications sector of Vietnam, the application of management accounting is determined by business strategy, level of competition, accountant qualifications, and manager awareness. These factors have a statistically significant positive influence on the implementation of MA. At the same time, company size as a factor was insignificant on its own; however, when considering the moderation of organizational culture, its effect became significant and positive. Moreover, for the link "manager awareness → MA application," a moderation by culture was recorded, which manifested as a weakening of the positive relationship [8]. Table 3 shows how the systematization of factors demonstrates the difference between the tools.

Table 3 – Comparison of adoption factors and effects (Compiled by the author based on sources: [8, 10, 11])

Block	Factor	Effect / Relationship
BSC adoption	Organization size, culture, manager awareness, accountant competence, BSC costs, BSC benefits	All factors positively influence BSC adoption; higher adoption improves operational efficiency
MA application (telecom)	Business strategy, market competition, accountant qualification, manager awareness	Positive influence on MA application
MA application (telecom)	Company size	Non-significant alone; becomes positive and significant under organizational culture moderation
Organizational culture moderation	Link "manager awareness → MA application"	Moderating effect observed; culture weakens this link

The BSC demonstrates a linear dependency. The more factors are included, the higher the level of application and efficiency [11]. In contrast, the implementation of MA in the telecom sector shows high sensitivity to organizational culture. On one hand, culture enhances the effect of company size, turning it into a significant predictor [3]. On the other hand, it can weaken the influence of managers' awareness, which indicates the ambivalent role of the cultural context.

These results allow us to conclude that when implementing the BSC, the emphasis should be on the comprehensive preparation of factors, whereas in the case of MA, it is critically important to consider the cultural characteristics of the organization. The presence of a strong and flexible organizational culture can turn potentially weak factors (e.g., company size) into significant drivers, but it can also reduce the significance of such strong factors as managerial awareness.

The formation of an applied methodological framework requires a systemic connection between the theoretical developments of strategic management accounting and the empirical findings on the functioning of MAS and BSC in emerging economies. The customization of management accounting in emerging economies must take into account industry and national specifics. For manufacturing enterprises, for example in Armenia, the key tools become reports by cost centers, shift performance indicators, and a detailed analysis of variances for materials and labor. In service companies, such as consulting firms in Ukraine, the priorities are calculations of project profitability, customer acquisition cost, and management of personnel utilization. In retail trade in the countries of the Caucasus and Central Asia, metrics on inventory turnover, margin by SKU, and target pricing are applied. For micro-enterprises, the minimum package includes a cash budget, a contribution margin report, and basic KPIs for sales and costs. This approach demonstrates that management accounting is implemented as a research-based customization, not as a universal scheme. The development is based on a phased implementation logic that considers the specifics of the initial level of companies and the confirmed mechanisms of the impact of management accounting on performance.

The starting point is the construction of a measurement loop. As shown in the study by Ojra J. [8], the clusters of strategic management accounting include strategic costing, planning and control, and competitor and customer accounting. Their application allows for the formation of basic sets of KPIs for management analytics. The study by Quang Hung B. [9] proved that the scope, timeliness, aggregation, and integration of information in MAS determine their practical significance, which forms the basis for choosing methods of coefficient analysis, cost-volume-profit analysis, and variance analysis. The next stage involves the integration of the Balanced Scorecard as a universal system for translating strategic goals into measurable indicators. The study by Ta T. T. [10] showed that all factors—size, culture, accountant competence, manager awareness, and resource costs—positively influence the adoption of the BSC, and a higher level of its application is associated with an increase in operational efficiency. This confirms the importance of the BSC as an integrating tool.

The effectiveness of management accounting depends on its alignment with contingent conditions. The study by Tran P. T. K. [11] revealed that business strategy, competition, accountant qualifications, and managerial awareness are positively related to the application of MA, whereas the influence of company size becomes significant only with the moderation of organizational culture. Moreover, culture can weaken the influence of manager awareness on the application of MA. This indicates that adaptation must take into account organizational values and management style, not just structural parameters. Accountants-analysts and managers play a key role in successful implementation. The study by Quang Hung B. [9] confirmed that the qualification of accountants and the awareness of managers directly increase the level of MAS application. Similar conclusions regarding the BSC were made by Ta T. T. [10], and the role of culture as a moderator of awareness was shown by Tran P. T. K. [11]. Consequently, the methodological framework must include training, competence building, and the development of an analytical culture. The transition from compliance-based accounting to management systems requires automation. The logic of implementing MAS and BSC involves creating an add-on layer over existing accounting systems and converting key reports into a management format. This solution does not contradict the conclusions about the need for a phased development of management information loops. Automation reduces labor intensity, increases timeliness, and ensures data integration, which is critically important for sustainable growth in efficiency. To overcome the digital divide, a practical IT implementation roadmap for a period of 6–9 months can be proposed. In the first stage, an inventory of data sources is conducted, and a dictionary of key metrics is formed. Then, using scripts or simple connectors, the export of transactions from legacy systems to a unified data mart is established. By the 2nd–3rd month, companies receive their first BI dashboards on sales, margin, and receivables. In the 4th–6th month, budgeting modules and automated "plan-fact" reports are implemented, and by the end of the ninth month—systems for standard costing, ABC, and CVP simulation. It is important to assign metric owners from the business and finance sides and to designate an AIS/BI administrator for technical support.

Thus, the proposed framework combines KPI diagnostics, BSC integration, consideration of contingency, development of human resources, and automation. It is based on confirmed empirical results and demonstrates how the adaptation of Western tools becomes possible in the context of emerging markets.

The prospects for scaling management accounting extend beyond the level of individual companies and affect the institutional environment. Professional associations of accountants and consultants play an important role, as they can develop standard forms of management reporting for small and medium-sized businesses. Banks and investment funds can use management indicators in their credit scoring and risk assessment systems. State and international support programs can provide grants or subsidies for the implementation of AIS and BI systems. Of particular importance is the integration of elements of management accounting into the educational programs of universities and professional development courses for business owners. In aggregate, these measures form a more transparent and sustainable business environment in emerging economies.

The proposed methodological framework is not only theoretical in nature but also demonstrates tangible results in practical application. The key element is the customization of management reporting to the specific industry, organization size, and information needs of management. This approach increases the relevance of data, enhances the validity of management decisions, and directly translates into measurable effects. Practical case studies show a profit growth of 30–50% and a reduction in variable costs of up to 40%. These results confirm that with correct adaptation, management accounting tools become a powerful factor in increasing the competitiveness and efficiency of companies in emerging economies.

Conclusion

The analysis conducted has shown that the implementation of management accounting in the context of emerging markets cannot be viewed as a simple replication of foreign practices. Effectiveness is achieved only when the external strategic attitudes of enterprises are transformed into specific management actions through internal accounting systems. Thus, management accounting performs the central function of a connecting link, allowing market orientations to be translated into measurable results.

The use of integrated scorecard systems deserves special attention. Their application ensures the structuring of management information and the creation of a holistic control mechanism directly linked to the growth of operational efficiency. Unlike local approaches, such systems form a unified architecture of management decisions and establish a stable analytical loop. A key factor in efficiency is organizational culture. It can enhance the effect of individual implementation factors, such as the size of the enterprise or the level of managerial awareness, but in some cases, on the contrary, it can reduce their significance. This dual role of culture confirms the need for targeted work to create an environment favorable to the use of analytical management accounting tools.

Human resources play an important role. The qualifications of accountants and the readiness of managers to use analytical data directly determine the success of implementing new systems. The training of specialists, the development of competencies, and the increase of managerial literacy should be considered as a key condition for adaptation, not a secondary element.

The final element of the framework is the automation of processes. The transition from traditional accounting, oriented exclusively towards control and compliance, to systems that provide management reporting is a mandatory condition. Automation allows for an increase in the timeliness and integration of information, which becomes necessary for the transparency and sustainable development of enterprises in an environment of increasing competition.

In aggregate, these conclusions form a methodological framework for adapting management accounting, which includes the diagnostics of indicators, the implementation of integrated systems, the consideration of contingent conditions, the development of human resources, and the digitalization of processes. Only a comprehensive approach can transform management accounting from a technical function into a strategic mechanism for increasing the effectiveness of enterprises.

The conclusions obtained are based on materials relating predominantly to a single regional context, which narrows the possibility of their dissemination to other countries without considering local specifics. The use of cross-sectional data does not allow for tracking the long-term effects of implementation. Furthermore, attention was focused on individual management accounting systems, while other methods remained outside the scope of the analysis. These circumstances open up directions for future research related to expanding the geography of observations, applying longitudinal data, and a comparative study of alternative approaches.

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