

MANAGEMENT ACCOUNTING SYSTEMS, INTELLECTUAL CAPITAL AND PERFORMANCE: AN INTEGRATED APPROACH

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ABSTRACT

The purpose of this study is to empirically test the relationship between management accounting systems (MAS), intellectual capital (IC) and organizational performance. It is highlighted the role of MAS as information networks that collect, process and communicate information that influence the development of IC, as well as networks of relationships that support the establishment of conditions for the creation and integration of organizational knowledge. An arguably complete framework of the relations between MAS, IC and performance is developed and empirically tested using structural equation modelling. A questionnaire was developed to conduct a survey of senior managers of Portuguese companies. The study provides an integrated view of the relations between MAS, IC and performance, from which are deduced strong interdependencies between variables. Statistical support was found for six out of nine hypothesized relationships, allowing at a clear evidence of the ability of MAS to assist the development of the different dimensions of IC and therefore IC as a whole.

KEYWORDS: Management accounting systems; knowledge production; intellectual capital; performance.

1. INTRODUCTION

Since intellectual capital (IC) has emerged as a leading topic in the field of organizational theory during the last twenty years, the notion of organizational knowledge has become remarkably extended. Attention has thus so far focused on the knowledge of individuals and on the organization's role in carrying out the actions so that knowledge may grow and expand, as this was seen as the leading way of creating and expanding organizational knowledge. Without granting the importance of human capital (HC), the notion of organizational knowledge has also developed to encompass structural capital (SC) and relational capital (RC), as well as the relations and collective effects of elements that generally are seen as comprising IC. Therefore, in broad terms, organizational knowledge it is the set of resources involved in the process of value creation, rather than the knowledge embodied on individuals, that primarily holds the attention of the organizations. Thus, there exists a pathway of development from the perspective of the individual - individual knowledge - to the perspective of the organization - collective knowledge -, specifically, to the network of organizational resources, since it is through the combination of organizational resources that organizations set and achieve their objectives.

Management accounting (MA) had lost relevance during the course of the twentieth century (Johnson and Kaplan, 1987). However, the field of MA research is dynamic and constantly evolving (Harris and Durden, 2012) and MA has now a vision and a set of tools that extend notably its virtual scope of action. Thus, there exist the opportunity to MA to take some of the challenges direct or indirectly associated with IC and its impact on organizations. Bhimani and Roberts (2004) observed that accounting information enables different organizational activities to be classified uniformly and to be altered so that they become economically functional and managerially controllable. In practical terms, MA has the potential to become an immanent part of knowledge management activities and, as such, to be a value-creation activity supporting IC development (Liang and Chen, 2013). Thus, it is reasonable to consider the existence of complementarities between MA and IC. In the present study, the existence of such complementary features is considered, and the focus is on the contribution of management accounting systems (MAS) to the development of IC. Based on empirical evidence that supports the proposition that value creation process is closely associated with the