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The current status of management accounting in Romania: the accountants' perception

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Abstract: The purpose of this paper is to investigate the accountants' perceptions as providers of accounting information, regarding the status of the management accounting in the Romanian business environment. In this respect we conducted a questionnaire-based study among accounting professionals from the Timis County. The study shows that the accountants' perception on management accounting is strongly influenced by factors like: the taylorian mentality, lack of interest, motivation and initiative, as well as the excessive focus on the financial and fiscal reporting, making us doubt the usefulness of the management accounting in the Romanian business accounting. This paper fills a current gap in the management accounting literature, as the existing papers focus rather on the managers' perception than on the accountants' perception. It is an interesting topic in the Romanian context because the atypical evolution of the accounting led to the neglectation of the management accounting field, with its enormous informative potential.

Keywords: management accounting, accountants' perception, mentalities, attitudes

JEL codes: M41

1. Introduction

The manner in which management accounting is perceived in the Romanian business environment is deeply disappointing, in terms both of the managers' attitude and of the accountants' interest in providing useful information for the

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decision making process. The developments over the last twenty-five years in the Romanian accounting field had a huge contribution to this situation.

The management accounting field is just slightly covered by the studies conducted in Romania. Most of the published papers are oriented towards the identification of the existing management accounting tools and techniques and their use in practice (Almășan and Grosu, 2009; Volkan, 2007; Volkan, 2008; Albu, 2008; Albu, 2003). None of these papers approaches the behavior of the accounting information providers and users.

The adoption of the French accounting system in 1993/1994, which replaced the accounting system used in the communist period, led to a separation between the financial and the management accounting. This disruption was exacerbated, on the one hand, by the existing regulations which made companies focus more on the tax compliance and, on the other hand, by the attitude of accountants and managers, who left the management accounting in the background.

Almășan and Grosu (2008) note that the providers and the users of accounting information have different motivations and attitudes which lead to highly different perceptions. In time, a gap appeared between managers and accountants regarding their perceptions about the collaboration which should exist between them. Shields (1995) identified a potential source of the difference between these perceptions. He argued that the changes of the accounting system are simple administrative innovations, their success depending on the manner in which the behavioral and organizational implications are managed.

The way these implications are managed influences the relevance of the accounting system for those interested in the information provided. Most of the studies focused rather on the perception of the managers (as users of the information), than on the perception of the accountants (Pierce and O'Dea, 2003). In this context, our paper investigates the accountants' perception – as providers of the accounting information – regarding the role of management accounting in the Romanian organizations. In fact, it resumes the topic approached by Almășan and Grosu (2008), which identified the accountants and managers' perceptions regarding the management accounting information, but it deepens the analysis, by investigating the accountants' attitude regarding a decision-oriented accounting.

This paper is of interest both to researchers and to practitioners from several reasons. *First*, because Romania had an atypical evolution in the accounting field, and this evolution influenced the attitude of practitioners and managers regarding the information provided by the management accounting, i.e. they neglected a field with an enormous information potential. *Secondly*, there are few studies conducted in Romania, in the field of management accounting and they are limited in terms of their connection with the business realities. However, this paper seeks to discuss

the status of the management accounting just from the perspective of accounting professionals. *Thirdly*, most papers focus more on the perception of managers and less on the perception of information providers. Although there is enough evidence in the literature on the discrepancies between managers' and accountants' perception regarding the content and relevance of the information provided by the accounting system (Pierce and O'Dea, 2003), to the best of our knowledge, there are no papers that deepened the analysis on the accountants' perception. Therefore, we believe that this study fills a current gap in the field of management accounting in Romania.

The reminder of the paper is structured as follows. The first section provides a short literature review, describing the management accounting evolution from the centralized to the market economy, as well as the management accounting research in Romania. The second section discusses the research design, also presenting the hypothesis evolved from the literature review section. The third section presents the main results of this study, together with our comments and analysis. The paper ends with a conclusion section, which refers to the limits of our study and future research directions.

2. Literature review

2.1. A brief description of the management accounting evolution

The management accounting changes have always proved to be of great interest for researchers (Scapens, 2006; Jarvenpaa, 2007; Falconer, 2002). Over time, the management accounting crossed more or less auspicious periods, i.e. periods of searches and attempts to find its identity, not only in Romania, but also in developed countries. The International Federation of Accountants (1998) identified four stages in the evolution of the management accounting, at international level, namely:

Stage 1 – prior to 1950 – the management accounting was seen as “*a technical activity necessary for the pursuit of organizational objectives*” (paragraph 19). It was particularly oriented towards the calculation of the product costs and less frequently towards the use of budgets and the controlling of the production processes.

Stage 2 – by 1965 – the management accounting became “*a management activity, but in a staff role*” (paragraph 19). Therefore, the focus was on providing the information for planning and control, but it was a focus on the production and internal administration system and less on the strategic and environmental considerations.

Stage 3 – by 1985 – the management accounting was challenged to find new managerial and production techniques and, at the same time, to control its costs for the „*reduction of waste in resources used in business processes*” (paragraph 7). It became obvious that there was a need to disseminate the information and the decision making within the organization (delegating the responsibilities). The management accounting had to provide adequate information to managers and employees at all levels of the organization.

Stage 4 – by 1995 – the management accounting pursues „*the use of technologies which examine the drivers of customer value, shareholder value and organizational innovation*” (paragraph 7). There is a shift towards the value creation through an efficient use of resources.

The main difference between the second, third and fourth stage is the change of orientation from providing the information, to the resource management for the waste reduction (stage 3) and for the value creation (stage 4). However, providing the information, specific to stage 2, does not disappear; it is redirected. In fact, the information itself is a resource which contributes to the value creation. Thus, the management accounting becomes „*an integral part of the management process, as real time information becomes available to management directly and as distinction between staff and line management becomes blurred*” (IFAC, 1998, paragraph 19).

The evolution of the management accounting was also influenced by the responsibilities delegated to the managers at lower levels of the organization, which made the distinction between the financial and management accounting information blur.

In Romania, the management accounting had a different evolution from the one described above. This evolution was strongly influenced by the political and social regimes, as well as by the development of the economic and business environment (Cardos and Pete, 2011). The previously identified stages are not as well outlined in Romania, because the economical and political context was very different. Romania is a former communist country, nowadays member of the European Union. The important changes that occurred after the fall of communism in 1989 influenced the accounting system, and the adoption of internationally accepted practices is still undergoing (Albu, 2013).

2.2. The Romanian accounting – from the centralized to the market economy

Between 1948 and 1989 the accounting system was used in order to provide information for statistical reasons and forecasts at the national level. It was not a useful management tool in order to facilitate the decision making process, but it

served only for reporting the fulfillment (or over-fulfillment) of the plans (Albu *et al.*, 2011a)

In a socialist economy, where the evaluation and fulfillment of the information requirements were less developed, the design of the accounting system in one or two cycles (monist or dualist model) did not have the significance it had after the 1990. Although the one-cycle accounting system (monist) was “*imposed and uncommented*” (Feleaga, 1996: 61) there were authors who advocated even then a two-cycle accounting system, drawing the attention to the advantages it offered to “modern enterprises” (Olariu *et al.*, 1974; Ristea *et al.*, 1980).

After the fall of communism, in early nineties, the accounting in Romania was reconsidered in order to connect it to the European realities. In this context, Romania adopted the French accounting system, which replaced the centralized planning system, leading to a clear separation between the financial and the management accounting. The accounting was organized into two separate cycles: one concerned with preparing and reporting the information to external users (financial accounting) and the other one aiming at supporting the management in the decision making process (management accounting).

After the adoption of the Accounting Law no. 82 / 1991, the companies turned their attention more to the proper organization of their financial accounting system (Almășan, 2008). Between 1994 and 1999 the accounting was seen as a control tool, the Government playing a dual role: accounting regulator and privileged user of the accounting information (Jianu and Jianu, 2012). Under these circumstances, the management accounting played the “Cinderella” part (Almășan, 2008). The regulation for the implementation of the Accounting Law (Regulation no. 704 / 1993) stated that *the manner in which management accounting was organized* was up to each entity, according to its particularities and specific needs. However, most managers understood by this that the management accounting was optional. Probably, the economic environment and the legal framework at the time accepted this situation.

The 90s were the years of adjustment and development of an accounting system required by the transition to the market economy. Although there were inconsistencies and deficiencies in the accounting legislation, Jianu and Jianu (2012) believe that these are probably natural, if judged in the context of that time.

With the approval in 1999 of the Order of the Minister of Public Finances no. 403, the Romanian accounting entered a new stage, through the harmonization of the national accounting system with the international one. Initially, it was an experimental stage for 13 national companies. Following this phase, the accounting legislation was revised, adopting several regulatory documents designed to support

the alignment of the Romanian accounting legislation with the European and international regulations (Order no. 94 / 2001, Order no. 306 / 2002, Order no. 1752 / 2005 and Order no. 3055 / 2009).

In 2003, the Minister of Public Finance issued the Order no. 1826 for the approval of some measures regarding the implementation of management accounting. In our opinion, this Order created more confusion among practitioners by its approach, which was still “frozen” in the past. These are regulations only on the costing structure, characterized by a limitative view, based on the traditional value added concept and not on the value chain and holistic view associated with the continuous progress and the prioritization of the customer. These procedures show the lack of vision which induces a short term view to the accountants, without any correlation with the long term impact, critical for the exploitation of the opportunities to increase the organizational value. The “classical” costing principles are explained, not those underlying the implementation of an appropriate management accounting system for issues which managers face: the cost-advantages principle, the individuals’ involvement and different costs for different purposes.

In these circumstances, it should not be surprising that the accounting research, as well as the concerns of the practitioners, focused excessively on the financial reporting (Barbu *et al.*, 2010; Mustață *et al.*, 2012; Albu and Albu, 2012a; Megan 2006; Albu *et al.*, 2011b). In this context, the management accounting continued to suffer, both conceptually, through the researches conducted, and especially within the companies.

First of all, the management accounting has to comply with the managers’ information needs regarding the internal performance, without having as main purpose a close relationship with the financial accounting. However, this relationship exists because the two cycles are the components of the same accounting system.

The separation between financial and management accounting was initially considered logical and necessary; however, the current trend is to develop these two parts of the accounting system together (Almășan and Grosu, 2008). Their harmonization is driven and caused by the strong orientation towards international accounting regulation. The global standardization of accounting, through the application of the international financial reporting standards, represents the basis for the accounting harmonization.

The alignment to the international regulations creates the premises for a closeness between management and financial accounting. The information and decision support functions gain relevance in the financial accounting, the management accounting pursuing the same objectives. The information needed by the external reporting indicates that management accounting information “is more required” to

be transferred to the financial accounting. This reflects the increasing importance of management accounting.

2.3. Management accounting research in Romania

A study conducted by Hooper *et al.* (2009) shows that the management accounting literature in the less developed countries is still very poor. Albu and Albu (2012b) identify two trends in the management accounting research in these countries: one that aims the effects of the economic development on the use of management accounting techniques and one that aims the use of these techniques in different countries, distinguishing between “traditional” and “modern” techniques.

These trends were also observed in studies conducted for Romania. The 90s were the most difficult years from this point of view, as the management accounting was searching for its identity, so that the studies from that period present practical alternatives for designing the management accounting system. After 2000, the management accounting started to be more present in papers which followed a modern approach. Although the papers published discussed the “modern” management accounting techniques (Almășan and Grosu, 2009; Volkan, 2007; Volkan, 2008; Albu, 2008; Albu, 2003; Jinga *et al.*, 2010), following the international trends, they were completely decoupled from practice.

Dumitru *et al.* (2011) observed that most articles published in Romania offer some generic “recipes”, while the number of articles which discuss a specific issue is considerably reduced. Obviously, this kind of papers does not have any relevance for the practitioners, so that the gap between research and practice deepens increasingly. Malmi and Granlund (2009) suggest that the studies should give importance to the managerial and accounting practices within successful organizations. Moreover, at international level, there is a trend to use the case studies as a research tool, with the purpose of helping the practitioners. Dumitru *et al.* (2011) found that the case study represented the most frequently used method for the papers published in the Management Accounting Research Journal (40%), while in Romania this method was not found.

Most published papers discuss the costing techniques because in Romania management accounting is still seen as a cost accounting, aiming at the calculation of product costs, based on traditional tools and techniques (Almășan, 2008; Cardos and Pete, 2011). The purpose of the costing system is not to support the decision making process, but to use the cost information for assets valuation (Albu *et al.*, 2011a). The traditional costing systems simplify the reality, offering a one-dimensional model for the representation of the company's performance and ending as an “easy to manipulate” model (Grosu *et al.*, 2005). The cost calculated in these terms loses its relevance as a management control tool, as it is characterized by subjectivity and arbitrary.

Dumitru and Calu (2008: 32) believe that the current status of management accounting is marked, on the one hand, by the lack of a specialized professional body and, on the other hand, by the lack of specific legal regulations. Moreover, Dumitru *et al.* (2011) argue that “*the absence of legal constraints has resulted in a diversity of methods of organization of the management accounting, whereas many of these organization methods present gaps from the standpoint of the informational potential*”. Albu (2013) observes that it is difficult for the national professional body (CECCAR) to provide an adequate training to its members, who work in various fields. In our opinion, it is necessary to have a specialized professional body, able to offer training and certification in the field of management accounting. But the purpose of this body should not be the regulation/standardization of the management accounting, but the training of the accountants, so that they can become business partners, active in the decision making process. This change of the management accountant role is supported by several authors in the field (Jarvenpaa, 2007; Kaplan, 1995; Granlund and Lukka, 1998; Burns and Baldvinsdottir, 2005)

The changes that affected the management accounting field have “contributed” in creating a distorted perception of management accounting among practitioners. Generally, the accountants tend to overestimate the usefulness of the information they produce and which support the decision making process. In this paper we try to capture the accountants’ perceptions regarding the role of management accounting, but also their attitude regarding this area.

3. Research design

In order to “capture” the accountants’ perceptions regarding the role of management accounting in Romania, we designed our study based on following assumptions:

A1. The accountants neglect the management accounting, focusing on the financial reporting and tax compliance

The changes that the Romanian accounting system has undergone turned the practitioners’ attention to that accounting cycle which reflects the relationships of the organization with third parties (i.e. financial accounting). If in the early 90s the Government was seen as the main “user” of the accounting information, gradually, the later regulations gave priority to shareholders. However, in practice, things did not evolve as expected, the focus remaining on the reports required by the fiscal authorities. Under these circumstances, the management accounting failed to emerge from the shadow it came with separation of the two cycles. The reasons are diverse and they are related to the attitudes and perceptions of both accountants and managers.

A2. The informative potential of the management accounting is not sufficiently exploited

As Johnson and Kaplan (1987) remarked, the relevance loss of management accounting was determined by its excessive focus on assets valuation and financial reporting needs. The current model of management accounting pays an excessive attention to short term financial objectives for assessing the organizational performance. The focus on the short term result is justified by the managers' speculative interests. They seek to "invent" means to reach the assigned financial indicators on which their activity is assessed and they are paid.

The managers' motivations, as main users of the accounting information, become more complicated, taking into account the evolutions of the social and economic environment, in general, and of the company, in particular, which enhance the role of management accounting. In order to be useful, it must be able to assess the economic consequences of the decision regarding the operating conditions, emphasizing the economic and managerial dimension of the informational system.

A3. The attitude of the Romanian accountants is characterized by lack of involvement and remanent behavior

Most accountants believe that they should not get involved in the decision making process, because it is the exclusive prerogative of managers (Almășan and Grosu, 2008). The accounting is primarily a "language" which facilitates the communication and dialogue between internal and external "actors". It involves a constant education and training. It proves more necessary nowadays when the economic and social environment is transforming and the effective management requires more and more the information control.

Despite the changes in the economic environment, the management accounting still uses the same traditional tools and techniques, thus having less relevance for the decision making process. The main issues of the accounting system for management are not of a technical or structural nature, but they concern the need of an effective accounting for management (Almășan and Grosu, 2008). The communication system, which provides the information to the managers, underlies this process. Ensuring a real communication between the factors involved requires an effort, sustained with patience and perseverance.

Granlund and Lukka (1998) described the role of the accountant changing from "historian" and "watchdog" to business consultant, the subsequent roles involving also the "watchdog" one. Sathe (1983) characterized the two responsibilities in terms of independence (required for ensuring the integrity of the financial information and control procedures efficiency) and involvement (essential for the

management servant role and active involvement in the decision making process). Sathe (1983) concludes that only “strong” controllers, with personal qualities and abilities can overcome the inherent tension between these two responsibilities.

In order to test the above mentioned assumptions, we conducted a questionnaire-based study addressed to the certified accountants from Timis County. We chose this region because it is considered “the economic driving force” from the Western side of Romania. The GDP per capita (10.011 euro) ranks the Timis County on the 2nd place in Romania, after Bucharest. In an Econtext ranking of Counties, based on their contribution to the Romanian economy, the Timis County ranks 2 (2012 – 29.3 billion RON, 2013 – 31.3 billion RON). It is the county with the highest standard of living based on indicators from the National Institute of Statistics, the National Agency for Workforce Employment and the National Commission for Prognosis. All these, plus the attractiveness for foreign multinational companies, indicate an active business environment.

The study was conducted from October 2013 to January 2014. The questionnaire uses different types of questions (multiple choice, yes/no questions, scaled questions, open ended questions), because we wanted rather to capture the accountants’ perceptions and opinions, than to get a statistical measurement of their answers. 114 accountants responded out of 484 to whom the questionnaire was (electronically) sent, i.e. 23.55%. The questionnaire consisted of two parts: the first one containing information about the respondent (its experience and the type of company where he/she is employed) and the second one with questions that capture the perceptions of the certified accountants, regarding the status of management accounting.

4. Results and discussions

Our study addressed accountants with heterogeneous professional experience, acting in different types of companies. The majority of the respondents (82) came from accounting firms. We got 10 responses from multinational companies, while in other types of organizations (manufacturing, services, public institutions, non-for-profit etc.) we obtained 22 responses. In terms of their experience, we mostly got answers from accountants with over 15 years of experience (58 respondents – 51%), but also 43 responses from accountants with an experience of 5 to 15 years and 13 responses from less experienced practitioners (up to 5 years). Hereinafter we will present the results of our study, along with our comments and observations.

4.1. The accountants neglect the management accounting, focusing on the financial reporting and tax compliance

In our opinion, the “delicate” relationship between financial and management accounting during the last two decades has fully contributed to the fact that management accounting has been ignored in Romania, while a special attention has been paid to the tax compliance. The accountants limited themselves to responding to the Government authorities' requirements (through the regulations). The preparation of information to this purpose was made at the expense of the preparation and reporting of information regarding the internal process of resource allocation and their transformation into results.

The focus on issues like financial reporting and tax compliance was confirmed by our study, because the respondents estimated a considerable time allocated for processing the data and preparing financial and fiscal reports (52.28%). The allocation of the activity time is shown in table no.1.

Table 1. The allocation of the activity time

ACTIVITY	AVERAGE ALLOCATED TIME
Data processing	25,44%
Cost analysis and control	16,67%
Preparation of financial reports	15,09%
Preparation of fiscal reports	11,75%
Ensuring the relationship with banks	6,31%
Legislation study	15,09%
Other activities	9,65%
TOTAL	100,00%

It is noted that the cost analysis and control is not a priority for the majority of the accountants. A higher percentage for this activity (44%) was noted in case of practitioners from multinational companies. However, this result was an expected one, given the existing control system within these organizations. Moreover, these entities have a particular structure of the allocation of the activity time. They emphasize on cost analysis and control (44%) and preparation of financial and performance reports (38%).

We also noticed that accounting firms dedicate a considerable time for processing the data (26.83%) and studying the accounting and fiscal legislation (16.59%). Preparing the financial and fiscal reports “consumes” 26.34% of the accountants' time. This means that preparing the information for external users represents the main objective of the accountants within these organizations, while issues as cost analysis and control are neglected. A further aspect that came into notice was the high percentage of the time allocated for other activities. In this category the

respondents mentioned activities related to employees records and relationships with fiscal authorities.

An analysis of the activities performed according to the respondents' experience revealed a paradoxical situation – the data processing activity increases as the accountants' experience increases. Also, in case of experienced accountants, an increase of activities like the study of legislation and preparation of fiscal reports is noted. As expected, the share for other activities is higher for less experienced accountants.

77% of respondents stated that lately the management accounting was overshadowed by the financial accounting. They mainly aimed at tax compliance (86%) and the Government was seen as the main user of the accounting information. The study shows that the cost calculation and analysis is mainly oriented towards planning activities and budget preparation, as well as for pricing decisions. Regarding the budgets, our study does not provide evidence that the preparation logic is accurate or the results and variances are determined, analyzed and properly solved.

For most Romanian companies, the cost calculation is used only for assets valuation (eventually, for tax purposes), rather than being a real support for decision making process. The study confirmed it, the Romanian organizations often forego the strategic responsibilities which aim sustainable effects (increase company's value, abandon unprofitable products, motivate managers, customer loyalty etc.), thus threatening their adaptability and even their survival.

In order to ensure a balance between the short term performance and the contribution to the overall progress of the company, aiming its competitive objectives (quality, services, time etc.) it is necessary to design a management accounting system better adapted to the strategy. The legitimacy of a modern management accounting involves a less technical approach, adopting a global view of the economic reality of the company.

4.2. The informative potential of the management accounting is not sufficiently exploited

The competitive environment has profound implications on the management accounting system. In this context, the importance of the management accounting increases considerably because, through its tools, it allows obtaining relevant information for making appropriate decisions in order to support the value creation and achieving notable performances, according with the company's goals. The challenge in a competitive environment is to adopt a flexible approach in designing an effective management accounting system, a cost control system, as well as a performance measurement system.

**The current status of management accounting in Romania:
the accountants' perception**

Through our study, we tried to find out to what extent the management accounting is capitalized in the Romanian accounting practice as a privileged source of information for the managerial system. The respondents appreciated that the informative potential of management accounting is poorly exploited within Romanian companies (2.25 on a 1 to 5 scale). As we noticed previously, within accounting firms the focus is on fiscal reporting and the preparation of financial reports, so naturally the respondents ignored this field. Only the accountants from multinational companies appreciated a proper use of management accounting (3.4 on a 1 to 5 scale), based on the activities they perform. Given the well-defined controlling system within these organizations, we consider that multinationals could become a “driving force” in promoting the management accounting in the Romanian economic environment.

We asked the participants in this study to point out the main advantages that they believe the management accounting offers. It was an open-ended question and the responses received are summarized in table 2.

Table 2. Advantages of management accounting

IDENTIFIED ADVANTAGES	NUMBER OF RESPONSES
Profitability analysis	39
Knowing the company's situation	24
Better cost control	17
Providing correct information to managers	15
Pricing	12
Asset valuation	11
Improving business activities	10
Performance measurement	2

It is noted that in the Romanian economic environment, the focus is on achieving and explaining short term results. The advantages of management accounting are oriented towards the profitability analysis of products and services, while the strategic advantages are completely ignored.

From the evolution of management accounting at international level, we noticed that the view changed from providing information to the resource management (including information) and value creation, using a strategic approach. The new tools and techniques left marks on the entire managerial process (planning, control, decision making and communication) in the first place, but also on the accounting system, forced to “come close to” the strategy. This involves focusing on future, on long term, outside the company, on the entire value chain, as well as providing nonfinancial information.

The advantages of management accounting, perceived by our respondents, are particularly oriented towards the analysis of short term results, by maximizing the results and observing situations after the events. They do not consider a permanent collaboration with the management in order to achieve strategic goals of the organization, constantly coordinating and controlling daily actions.

In order to support the decision making process, the management accounting requires a set of useful tools for managers' information. In this respect, we asked the accountants to list the tools they used. The synthesis of the answers received is shown in table 3.

Table 3. The management accounting tools used

TOOLS	NUMBER OF RESPONSES
Budgets	84
Actual costs (job order costing, process costing)	67
Activity based costing	57
Standard costs, variance analysis	34
Dashboards, balanced scorecard	31
Cost-volume-profit analysis	23
Costs of quality	21
Life cycle costing	10
Environment costs	7

Analyzing these results, we see that the budget is the preferred tool in most organizations, but the share of those who use the standard costs and variance analysis is quite small. In this case, we wonder if there is a real budgetary management within Romanian companies that could help finding the causes of variances, but also identifying the responsibilities.

We note that the traditional costing systems (process costing, job order costing) are preferred by the Romanian companies, the practices being oriented towards the simple calculation of cost, considered as a "fatality" (Horngren *et al.*, 2003: 383). The costs are not necessarily oriented towards the investigation of the relationships between resources, activities and product, like activity based costing (ABC) does. The large number of those who used the activity based costing makes us wonder if the respondents correctly understood the logic of designing ABC or they are considering a simple delimitation of expenses on major business activities.

We found that there is a conservatism regarding the use of the same tools and techniques, which most of the accountants consider relevant, without capitalizing the potential of some new tools, better adapted to current requirements. In addition, there is a trend for all the events and transactions to be monetary quantified, ignoring a number of nonfinancial indicators which are more useful in the decision making process.

The strategic tools, like costs of quality and life cycle costing are less frequent in practice, which emphasize once again the focus on tools which provide useful information for the short term decision making process. Strategically, the cost information should be used for developing strategies and gaining a sustainable competitive advantage.

We should not forget that these are simple tools which should “shape” the managers behavior. It's up to the accountant, as an “information provider”, how he/she uses these tools and to what extent they are involved in the decision making. Referring to the partnership between accountants and managers, in a study conducted by Almășan and Grosu (2008) one manager stated: *“the accountants must become managers; I believe that they should change and, if they do not do that, they will become like auditors appearing once a year and presenting a reporting on what you did”*. The accountants' interest, motivation and attitude are essential in the evolution of management accounting, in order to be adapted to the changing needs of the organizations.

4.3. The attitude of the Romanian accountants is characterized by lack of involvement and remanent behavior

Hilton (2005: 17) stated that *“the better a managerial accountant's understanding of human behavior is, the more effective he or she will be as a provider of information”*. A study of The Chartered Institute of Management Accountants conducted within the Irish companies found that what management accountants believe it is useful to managers, underestimated in fact their information needs (Dempsey and Vance, 2006). In order to be a real support in the decision making process, the accountants are forced “to guess” the managers information needs. It is said that *“an accountant should tell, not ask managers what they need”*.

Our study finds that the accountants perceive the managers' interest for management accounting as being low (2.77 on a 1 to 5 scale). For this reason, there is a certain convenience and lack of motivation on accountants' part in developing this field. As expected, within the multinational companies, the management interest for the management accounting is slightly higher (4.0 on a 1 to 5 scale).

The lack of initiative from accountants, induced by their perception regarding the managers' interest, leads them to neglect their training in the field of management accounting. In this context, it is not surprising that they are aware of the fact that they do not have enough knowledge in this field (2.26 on a 1 to 5 scale). Moreover, 84.21% of the accountants feel the need for training programs in management accounting. But, their remanent behavior makes them search for “recipes” within these programs, instead of developing a judgment that offers them the adaptability to the situations which managers confront with.

It also seemed interesting that 60% of accountants consider that the lack of regulation in management accounting is the reason why this field is neglected. Their arguments in this respect vary from expressing the imperative need for regulations which would be the solution to this problem:

- (a) *Models which can be used in practice must be developed and shaped according to each company's needs;*
- (b) *Everything is presented generally; there are no monographs as a rough guide; each of us does it in the own manner.*
- (c) *Some practical procedures, applicable to various fields, would be required.*
- (d) *I believe that minimum mandatory rules or a guideline would contribute to the increase of the management accounting role within a company.*

to becoming aware of the fact that the companies neglect anything that is not mandatory:

- (a) *Since there are no reporting requirements, the managers' interest is considerably reduced.*
- (b) *The lack of unitary standards and the lack of importance given to this field lead to a lack of interest from those involved in management accounting and a carelessness of accountants.*
- (c) *Due to the multiple legislative fiscal changes, both accountants and managers focus on tax legislation, thus neglecting the management accounting.*

There are also accountants who recognize that the regulations do not represent a solution to this problem and the interest for management accounting should come from the information users, namely managers.

- (a) *Accounting professionals and managers have the mentality of doing what is imposed by some regulations, while they forget the internal tools, specific for each entity.*
- (b) *The regulation is useless in this case. The managers' willingness and understanding is crucial.*
- (c) *If this does not come from their own conviction I do not believe that a detailed regulation can solve the problem.*
- (d) *This field is neglected due to the managers' lack of interest.*
- (e) *Managers' education should be more important than imposing regulations in this regard.*

It is interesting that the respondents underlined the managers' lack of interest, but they do not discuss the accountant's role in solving this situation. However, a response we received refers to the judgments called by such a field.

The regulations cannot help in a field where approximate information prevails over accuracy as well as judgment-based modeling prevails over legal or strict regulations.

The accounting system is “fed” by the information it provides, the individuals’ activities and perceptions regarding the business evolution, as well as their performances. It facilitates the interactions and communication between actors who belong to different professions, with different cultures and languages within the organization.

As long as the accountants are seen as conservative, past oriented, with an attitude of sufficiency, their image will seriously suffer. They have “earned” the reputation of solving the problems from a primarily financial perspective, having a too rigid and closed spirit, less willing to take the risks (Mersereau, 2006). Their mission is to understand, analyze and report the key aspects of the business processes.

A study sponsored by CIMA and conducted by Burns and Yazdifar (2001) asked the management accountants to rank the 10 most important tasks that they have to fulfill. The most important ones included performance measurement, cost control, preparing and presenting financial reports, profit improvement, budget preparation. Among the least important (to them), they mentioned strategic planning, decision making and strategy implementation, value creation, design and implementation of new informational systems. The study found that these last tasks are exactly what managers expected from accountants.

5. Conclusions

The management accounting should be an important tool in motivating the employees to be “in harmony” with the long term goals of the organization. It must “create” the future and not necessarily “quantify” the current performance of the company. This points out that the continuous progress and improvement is more important than the result itself, so the management accounting should rather influence than inform.

The results of the study reveal that the accountants’ perceptions on management accounting are strongly influenced by factors like: their mentality (taylorian type, without an integrated view, and less involved), the managers’ lack of interest regarding the accounting information, as well as the overwhelming activities in the financial and fiscal reporting field. Under these circumstances, the accountants’ attitudes, together with the attitude of the managers, makes us doubt the usefulness of the management accounting in the Romanian business accounting.

Our study is limited out of two reasons. First, it addressed the accounting professionals from the Timis County, which does not allow us to uniform the perceptions at national level because of the cultural differences between different areas in Romania. Secondly, most responses were collected from accountants working in relatively small companies, where it is difficult to find a rigorous management accounting system.

Based on the results of this study, we can identify two directions for future research: (a) to investigate the managers' perceptions and the information usefulness for them, in terms of communication between accountants and managers and (b) to investigate how the closeness between the business and academic environment can positively influence the practitioners' (both accountants and managers) mentality regarding management accounting.

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