



Managers Perceptions of Management Accounting Information in the Business Planning Process

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Abstract

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This study aims to explore managers' perceptions of management accounting information in the business planning process using a literature review approach. Management accounting information plays a central role in supporting both strategic and operational decision-making processes. Managers' perceptions of this information influence the extent to which accounting data is utilized in designing strategies, allocating resources, and evaluating performance. This study reviews a range of academic literature published, focusing on dimensions such as information quality, technological factors, organizational culture, and managers' cognitive involvement. The findings reveal that a positive perception of the relevance and reliability of accounting information enhances the quality of business planning. In contrast, barriers such as system complexity or lack of training may hinder effective utilization. The study offers important implications for the development of accounting information systems and managerial training programs across various organizational contexts. Strengthening both technical and cognitive aspects of accounting information use can foster more effective planning and data-driven decision-making.



1. Introduction

Business planning is a strategic process that defines the direction and actions of an organization to achieve both short-term and long-term goals. In an increasingly dynamic and competitive business environment, the need for accurate, relevant, and timely information becomes ever more crucial. Management accounting information has long been considered a primary source for managers in business decision-making processes (Pazarskis et al., 2018). However, the effectiveness of its use heavily depends on managers' perceptions of the value, credibility, and relevance of this information. Managers' perceptions of management accounting information reflect their beliefs, experiences, and knowledge about how this information can help in formulating strategies, allocating resources, and evaluating performance (Bhimani, 2020). In this context, accounting information is not merely quantitative data; it is an important tool for understanding the financial and operational conditions of a company, as well as a means of communication between departments.

Several studies show that managers' perceptions of management accounting information are influenced by various factors, including educational background, training attended, technology availability, and organizational culture (Al-Delawi & Ramo, 2020). Managers with an accounting background typically understand and appreciate management reports more than those from other disciplines. On the other hand, advances in information technology have enabled the development of interactive and real-time management accounting systems, thereby improving perceptions of their benefits (Caserio & Trucco, 2018). Nevertheless, the utilization of management accounting information in business planning processes still faces

several obstacles. One major obstacle is the perception of some managers that accounting information is too historical and inflexible to market changes. A study by Pedroso et al. (2020) indicates that some managers consider management accounting information too technical or complex to be directly applied in strategic planning.

Beyond individual aspects, organizational structure and internal control systems also influence the extent to which accounting information is utilized in planning. Organizations that apply principles of information transparency and empower middle managers generally show higher levels of information utilization. In this context, managers' perceptions are influenced not only by personal factors but also by organizational systems that support data-driven managerial practices (Rogošić, 2021). This study aims to examine managers' perceptions of management accounting information in the context of business planning using a literature review approach from various recent scientific journals. The focus of the study encompasses three key dimensions: the quality of management accounting information, the various factors that shape managers' perceptions, and the influence these perceptions have on the overall business planning process. It explores how attributes such as relevance, accuracy, timeliness, and accessibility of accounting information contribute to its perceived quality.

Additionally, the study examines how individual characteristics (such as educational background and work experience), organizational culture, and technological infrastructure interact to influence how managers perceive and utilize accounting information. Ultimately, it highlights the critical role these perceptions

play in shaping the effectiveness and strategic orientation of the planning process within organizations. Through this approach, a more comprehensive understanding of how these perceptions are formed and how organizations can optimize the effectiveness of accounting information in planning is expected. This study is also expected to provide practical contributions for policymakers, accounting teams, and operational managers in improving the quality of information based decision making.

2. Literature Review

2.1. The Role of Management Accounting Information in Business Planning

Management accounting information serves as a management tool for identifying opportunities, formulating strategies, and controlling the implementation of business plans. The strategic role of this information lies in its ability to present cost, revenue, and business unit performance data in a structured and relevant manner. This information not only supports performance measurement but also provides an analytical basis for efficient resource allocation and prioritizing actions. Barros and Ferreira (2019) emphasize that management accounting information helps create competitive advantage by supporting data-driven decision-making. In a complex and uncertain environment, the speed and accuracy of information are crucial in responding to market dynamics. According to Rashid and Hossain (2020), successful business planning requires not only a strategic vision but also a deep understanding of the company's internal conditions. Companies must be able to translate their vision into measurable and evaluable figures.

This is where management accounting contributes by providing information such as budgets, variance reports, and profit and loss estimates. The availability of this information allows for the evaluation of operational efficiency and the achievement of short-term and long-term financial goals. Thus, the higher the quality and relevance of accounting information to strategic needs, the greater its contribution to planning effectiveness. Research by Park (2018) also shows that companies integrating accounting information systems into the planning process exhibit increased accuracy in financial projections and flexibility in responding to market changes. This highlights the importance of investing in information systems that support adaptive planning processes.

2.2. Factors Influencing Managers Perceptions

Managers perceptions of accounting information are significantly influenced by personal characteristics such as educational background, work experience, and leadership style. An understanding of basic accounting concepts, analytical skills, and experience in managing budgets can strengthen trust in the strategic value of accounting information. Pedroso et al. (2020), in their study in Oman's public sector, show that managers with formal education in accounting are better able to interpret financial reports and exhibit higher trust in such information. This indicates that technical competence plays an important role in shaping managerial attitudes towards financial data. In addition to individual factors, organizational factors also play a role in shaping perceptions. An organizational culture that supports information transparency, cross-departmental communication, and participation in

strategic planning tends to create positive perceptions of accounting information (Maelah et al., 2021).

In this context, flat and open organizational structures enable managers to access and utilize accounting information more effectively without bureaucratic obstacles. Organizations that value collaboration and data-driven decision-making tend to increase managers' trust in the information systems used. Technological support is another significant factor. Information technology-based accounting systems enhance the accessibility, accuracy, and timeliness of information (Caserio & Trucco, 2018). A study by Hutahayan (2020) reveals that companies adopting Enterprise Resource Planning (ERP) show higher utilization rates of management accounting information because ERP systems provide integrated and real-time information, facilitating analysis and quick responses to changing operational conditions.

2.3. Implications of Perception on Decision-Making and Planning

A positive perception of accounting information increases the probability of managers actively using it in the business planning process. Information deemed valid, relevant, and trustworthy will encourage managers to use it as a basis for formulating short-term and long-term strategies. In a study by Rogošić (2021), it was found that the perception of information quality affects the speed and accuracy of decision-making. Managers who trust the validity and reliability of accounting information tend to make more strategic and measured decisions. They are also more open to objectively evaluating various business scenarios and can reduce the risk of errors in planning. However, negative or skeptical perceptions of accounting

information can lead to resistance or disregard for data in the planning process. When information is considered too complex or not aligned with operational needs, managers tend to discard it.

A study by Bhimani (2020) shows that managers who consider accounting information too technical and irrelevant to operational conditions tend to rely on intuition or personal experience in formulating business plans, which can potentially reduce objectivity. Within the balanced scorecard framework, perceptions of accounting information also relate to non-financial dimensions, such as customer satisfaction and innovation. Comprehensive and integrated management information allows managers to plan holistic strategies, not limited solely to financial performance. Thus, forming positive perceptions through training, system reinforcement, and a data-driven organizational culture is a key strategy for improving the quality of business planning.

3. Method

This study employs a literature review approach to understand managers' perceptions of management accounting information in the business planning process. This approach was chosen because it allows for in-depth analysis of various previously published scientific findings, without the need for direct primary data collection. A literature review provides a strong conceptual basis for formulating an understanding of patterns, factors, and relationships between variables that influence managers' perceptions of management accounting information in the context of organizational strategic planning. The literature search was conducted by accessing

several prominent scientific databases from Google Scholar . The keywords used during the literature search process included terms such as management accounting information, manager perception, business planning, accounting information systems, and decision making.

These keywords were carefully selected to ensure comprehensive coverage of relevant academic sources that explore the relationship between management accounting practices and managerial behavior in the context of strategic business planning. By using this combination of terms, the study aimed to capture a wide range of perspectives and empirical findings related to how managers perceive and utilize accounting information to support informed decision-making processes within various organizational settings. Selected articles were international peer-reviewed journals published and available. Inclusion criteria included a primary focus on management, information systems, and management accounting topics, with theoretically and empirically relevant discussions on the theme of managers' perceptions in strategic decision-making. After the initial selection process, the collected articles were evaluated based on their methodological quality, thematic relevance, and scientific contribution.

Articles not directly related to business planning or not discussing managers perceptions of accounting information were excluded from further review. Findings from the selected articles were synthesized and categorized into three main themes: the role of accounting information in the planning process, factors influencing managers' perceptions, and the impact of these perceptions on decision-making. Each selected article was critically analyzed to identify its methodological approach,

research population, organizational context, and main conclusions. This analysis was used to construct a solid conceptual argument and to identify research gaps and opportunities for further research. This approach enables the research to generate a comprehensive and systematic understanding of managers' perceptions of management accounting information in the context of business planning.

4. Results

Based on a literature review from various international academic sources published, it was found that managers' perceptions of management accounting information in the business planning process are significantly influenced by several critical, interacting factors. Management accounting information, as stated by Pazarskis et al. (2018), is an important element in modern organizational management information systems. This information includes both quantitative and qualitative data designed to support managers in designing strategies, implementing them effectively, and evaluating their impact on company performance. In their findings, managers with a deep understanding of the structure and function of management accounting information tend to show greater trust in the data generated by the system and actively integrate it into strategic decision-making and long-term planning processes.

One of the main dimensions frequently highlighted in scientific literature is the quality of information provided by management accounting systems. According to Barros and Ferreira (2019), the quality of this information is not only determined by its availability but also by characteristics such as reliability, relevance, accuracy,

and timeliness. If the information received by managers possesses all these characteristics, their perception of the information's usefulness will tend to be positive. This positive perception directly leads to an increase in the intensity and consistency of using such information in strategic and tactical business planning processes. In another study, Park (2018) revealed that the implementation of Enterprise Resource Planning (ERP) systems in medium-sized companies in Southeast Asia significantly contributed to shaping managers positive perceptions of data provided by accounting information systems. This is due to ERP's ability to present information in real-time and in a centralized manner, thereby increasing the credibility and accuracy of the data available to managers.

Beyond technical aspects and information quality, managers' perceptions are also heavily influenced by individual cognitive and psychological factors. A study conducted by Bhimani (2020) in the manufacturing industry sector showed that variables such as prior work experience and managers educational backgrounds significantly influenced their level of trust in management accounting reports. Specifically, managers who did not come from an accounting educational background tended to find it difficult to interpret complex technical data. They showed a higher preference for visual data presentation forms, such as graphs and diagrams, or easily understandable executive summaries, compared to detailed accounting reports full of technical terms.

Another factor contributing to managers perceptions of management accounting information is organizational culture. Al-Delawi and Ramo (2020) found that in organizational environments that uphold the values of information openness,

accountability, and transparency in decision-making processes, managers will be more open to utilizing accounting information as a primary tool in business planning. This is reinforced by the results of a study by Maelah et al. (2021), which stated that active manager involvement in budgeting and forecasting processes has a positive impact on the intensity of using financial and operational data in daily managerial activities. This involvement creates a sense of ownership over the data and strengthens their understanding of the importance of accounting information in supporting accurate and data-driven decision-making.

From a technological perspective, rapid advances in the use of digital information systems have been a game-changer in shaping managers' perceptions of accounting information. Caserio and Trucco (2018) noted that the implementation of Business Intelligence (BI) systems in companies allows for the presentation of accounting data in highly informative and easily accessible interactive dashboards. Presenting data in an interactive visual format not only facilitates the understanding process but also increases the speed and accuracy of managers responses in formulating business plans. In the logistics industry context, Hutahayan (2020) showed that the ability of digital accounting systems to track and trace costs in detail significantly contributed to increased transparency. This transparency ultimately strengthened managers' trust in the reliability of the data used as a basis for strategic and operational planning processes.

Nevertheless, various studies also note that there are several challenges faced in optimizing the utilization of management accounting information. One of the main challenges that often arises is the perception that accounting information is too

retrospective. This information is considered not responsive or adaptive enough to dynamic and uncertain business environment changes. In a study conducted by Rogošić (2021), it was found that many managers still view accounting reports as historical documentation that cannot quickly respond to external changes such as market fluctuations, shifts in consumer preferences, or changes in government regulations. Therefore, managers tend to rely on personal experience, intuition, and informal information from external networks as the primary basis for formulating business plans, rather than available accounting information.

Technical difficulties in understanding terminology and concepts in management accounting systems are also significant obstacles that negatively impact managers' perceptions. Pedroso et al. (2020) emphasize that the low level of training received by managers in financial analysis causes them difficulty in understanding important concepts such as variance analysis, Cost-Volume-Profit (CVP) analysis, and break-even points. This lack of knowledge leads to distrust of the information provided, thereby reducing the active utilization of management accounting reports in the business planning process. In organizations that do not have a proactive finance department to communicate and explain accounting information to line managers, financial data tends to be isolated and not integrated into decision-making, ultimately reducing the effectiveness of organizational strategic planning.

Some studies also show a direct relationship between managers perceptions of management accounting information and overall organizational performance. A study by Rashid and Hossain (2020) concluded that companies with managers who have a positive perception of accounting information systems tend to show

improvements in various aspects, including budget planning, operational efficiency, and the achievement of long-term strategic targets. They assert that managers' perceptions of accounting information are not merely a product of the technology system used but also reflect the quality of internal communication processes and cross-functional interactions within the organization. Effective communication processes between divisions allow accounting information to be used as a relevant and actionable analytical tool.

In the public sector, similar findings were also revealed by Rogošić (2021). He noted that rigid bureaucracy and strict regulations often limit the flexibility and utilization of management accounting information in program planning. The information generated by public accounting systems is not always aligned with the specific needs of project managers or particular work units, thus often being regarded as merely an administrative tool for reporting, rather than a dynamic instrument to support adaptive planning processes responsive to community needs or external situation changes.

Furthermore, cross-country research shows variations in the level of trust in accounting information, influenced by national cultural contexts and levels of technology adoption. Park (2018) found that managers in South Korea have a higher tendency to trust technology-based accounting systems compared to their counterparts in other Southeast Asian countries. This is due to a higher level of digital maturity and a more open organizational culture towards technological innovation in South Korea. Conversely, in some Southeast Asian countries,

managers tend to be more skeptical of automated accounting systems and rely more on conventional, manual, and informal approaches.

To overcome negative perceptions of management accounting information, various strategies have been proposed in the literature. These strategies include regular training for managers to help them understand and apply accounting information effectively, the development of more user-friendly system interfaces, and increased collaboration between accounting departments and operational units. In a study conducted by Albuhihi and Abdallah (2018), the use of the Balanced Scorecard proved to be an effective approach to bridge quantitative information from accounting reports with non-financial strategic perspectives. This approach helps managers understand the interconnectedness between financial indicators and other factors such as customer satisfaction, internal process efficiency, and the development of human resources and organizational capabilities.

The synthesis of various literature studies indicates that managers' perceptions of management accounting information are a result of a combination of technical factors such as systems and data quality, individual factors such as education and experience, and organizational factors such as culture and communication structure. Even sophisticated information systems will not provide maximum benefits if not supported by managers' level of understanding, trust, and active involvement in their use. Therefore, an integrative and cross-functional approach is essential in building an information ecosystem that supports adaptive, data-driven, and long-term performance-oriented strategic planning processes.

5. Discussion

The results obtained from this literature study consistently show that managers' perceptions of management accounting information in the business planning process are a key element with a significant influence on the quality of decision-making and the effectiveness of strategies implemented by organizations. Management accounting information, in this context, is not limited to its traditional role as a tool for monitoring and controlling financial performance but also serves as a crucial foundation in predictive, systematic, and strategic planning processes (Cleary et al., 2022). This means that the information is used not merely to review past performance but to form future projections and design anticipatory measures that can provide a competitive advantage for the organization.

The positive perception held by managers towards management accounting information is closely linked to their perception of the quality of available information, particularly in terms of data accuracy, relevance of information to decision-making needs, and the timeliness of data delivery. When information is considered valid and reliable, managers are more inclined to use it as a basis for evaluating various strategic options and formulating concrete action plans (Pan et al., 2018). Conversely, if managers perceive that the accounting information is too technical, less relevant to their unit's context, or not available in a timely manner, their trust in the information system will decrease. In such conditions, managers tend to rely more on personal intuition or informal information that is not always verified, which can ultimately weaken the quality of organizational decision-making.

Individual factors, such as managers educational backgrounds, relevant work experience, and level of understanding of basic concepts in management accounting, play a very large role in shaping their perceptions of this information. Organizations that actively invest in improving accounting literacy and managerial training have a greater chance of producing managers who are not only trusting but also competent in using accounting information for strategic purposes (Pedroso et al., 2020).

In addition to individual aspects, organizational environmental factors and technological support of information systems are also key determinants. An organizational culture that encourages cross-functional collaboration, information transparency, and openness to data will create a work environment that supports the use of accounting information in the planning process. The implementation of information systems such as ERP and Business Intelligence has been proven to improve connectivity between departments, accelerate information flow, and present relevant data in real-time to support strategic decision-making (Hutahayan, 2020).

These findings indicate that efforts to build positive perceptions of management accounting information cannot be solely the responsibility of the accounting department. A systemic and comprehensive approach is needed, encompassing the redesign of information management processes, enhancement of managerial capacity, and alignment of organizational culture with the principles of accurate and relevant data-driven decision-making. In the context of the modern business world, characterized by volatility and uncertainty, organizational attention needs to be focused not only on data availability but also on how the perceptions of

end-users namely, managers are formed and managed so that they can utilize accounting information as an important tool in effective and sustainable strategic planning.

6. Conclusion

This research comprehensively examines managers' perceptions of management accounting information within the context of business planning, utilizing a literature review approach as its analytical foundation. Based on an in-depth review of several international academic studies published, it was found that managers' perceptions play a crucial role in determining the extent to which management accounting information is optimally utilized in organizational strategic decision-making processes. Positive perceptions tend to form when accounting information is deemed to possess characteristics that meet user needs, such as relevance to the decision context, data accuracy, timeliness of delivery, and ease of accessibility. Factors contributing to these perceptions include managers' formal educational backgrounds, professional experience, organizational values and culture, and the level of information technology support available in the work environment.

Conversely, a lack of technical training, limitations in information systems, and an organizational culture that does not support information openness can be major impediments to the effective utilization of management accounting information. The implementation of ERP systems and other digital technologies has proven to increase managers' trust in accounting information systems, although cultural context, technological maturity, and unique organizational characteristics

also lead to variations in perception and application. By understanding the factors that shape these perceptions more deeply, organizations can design more effective training strategies, information system designs, and internal communication structures to support data-driven business planning processes. This study also recommends further research using quantitative approaches and contextual case studies to strengthen empirical evidence relevant to managerial practice.

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