

A Literature Review on the Construction and Application of Management Accounting Reporting System in China

Zhang Qiqi, Neilson Teruki, Aryaty Alwie, Shairil Izwan Bin Taasim

Faculty of Humanities, Management and Science, University Putra Malaysia Jalan

Nyabau, 97008 Bintulu, Sarawak, Malaysia

Corresponding Author Email: neilson@upm.edu.my

To Link this Article: <http://dx.doi.org/10.6007/IJARAFMS/v14-i4/23221> DOI:10.6007/IJARAFMS/v14-i4/23221

Published Online: 20 November 2024

Abstract

With the ongoing advancement of modern enterprise management theory, the management accounting reporting system has increasingly garnered attention as a crucial element of the enterprise's internal decision support framework. This paper first provides a summary of the management accounting reporting systems developed by Chinese enterprises from various perspectives. Subsequently, through an extensive review of the literature, the paper examines the practical application of these reporting systems across different industries and enterprises of varying sizes. The reviewed cases illustrate not only the beneficial impact of management accounting reporting systems on improving corporate decision-making efficiency and optimizing resource allocation but also the challenges and issues encountered during their implementation. Finally, the paper offers valuable insights and lessons for enterprises in the development and implementation of management accounting reporting systems.

Keywords: Management Accounting Reporting System, Strategic Management, Value Creation, Industry-Finance Integration, Digital Intelligence, Rpa, Blockchain, Sustainable Development

Introduction

Research background

Beginning in the 1950s, growing demand from business managers for management accounting to support decision-making and value creation prompted substantial advancements in the field. In November 2014, the American Institute of Certified Public Accountants (AICPA) and the Chartered Institute of Management Accountants (CIMA) in the U.K. jointly issued the Global Management Accounting Principles (GMAPs). These principles provide a globally recognized framework for management accounting, helping organizations improve decision-making in complex environments. The release of GMAPs addresses the previous absence of a unified global framework to guide management accounting practices,

establishing an international standard for organizations worldwide. This development holds significant theoretical and practical importance. Simultaneously, China's Ministry of Finance (MOF) issued the 'Guiding Opinions on Comprehensively Promoting the Construction of the Management Accounting System' in 2014, advocating for the development of a management accounting reporting system tailored to China's specific needs. Building on this, the MOF released the 'Basic Guidelines for Management Accounting' in June 2016, offering new perspectives for enterprises on the practical application of the management accounting reporting system. This indicates that China's management accounting reporting system has substantial potential for further development.

In today's dynamic economic environment, it is crucial for companies to collect relevant decision-making information efficiently and promptly. While external financial accounting reports are often retrospective and suffer from a lag, a robust management accounting reporting system can provide real-time, dynamic information that complements the limitations of traditional financial accounting statements. In recent years, continuous exploration and research by scholars and accounting practitioners have led to considerable progress in the theory and practice of management accounting in China.

Research Motivation

The essence of management accounting is to collect and process information related to the organization's resources information system (Yu Xuying, Mao Fugen, 1990), including financial and non-financial resources information, process and results-oriented information, as well as strategy and operations and other areas of information is more concerned about the risk control of each process. Therefore, the application of management accounting reports can provide managers with useful information for control and management decisions (Wang Bin, 2004), reduce the uncertain risks in the innovation process, realize the effective allocation and utilization of resources, and then improve the performance of corporate innovation.

Against the background of the above research, this paper, based on the functional positioning in the development stage of management accounting (TFAC, 1998), combines the current application of management accounting reports in Chinese enterprises to study the relationship between the application of management accounting reports and the innovative performance of enterprises, and explores the role of the path played by management accounting reports in it.

Significance of the Study

In China, research and practice in management accounting remain significantly behind those in foreign countries. This gap is primarily due to the longer history of management accounting research in Western developed countries, where theories are more mature. Particularly in the area of management accounting reporting systems, China currently lacks rigorous theoretical guidance, which significantly impairs the effectiveness of management accounting functions.

In light of this, this paper first reviews the development history of China's management accounting reporting system by examining and analyzing historical literature. This approach helps to understand the characteristics and changes of the system at different historical stages, providing a historical context for the current management accounting reporting

framework. Next, by analyzing relevant literature on the application of management accounting reporting systems across various industries in China, this study explores the current state of implementation in Chinese enterprises, including its effectiveness, existing challenges, and areas for improvement. This analysis aims to provide a practical foundation for optimizing the management accounting reporting system. Finally, the paper discusses the future development trends of management accounting reporting systems, considering the current domestic and international economic environment and evolving enterprise management practices. This discussion offers forward-looking guidance for future management decisions within organizations.

Contribution of the Study

The contributions of this study are threefold. First, it systematically reviews the historical development and unique characteristics of management accounting reporting systems in China, providing a solid foundation for understanding their current role and limitations. Second, the study offers a comprehensive analysis of industry-specific applications, highlighting best practices, common challenges, and areas for improvement, which are valuable for practitioners and policymakers. Third, by exploring future trends and the potential impact of emerging technologies, this study offers forward-looking insights that can help shape the evolution of management accounting practices in China, making it a valuable resource for academic research and corporate decision-makers alike.

1. Review of construction of a management accounting reporting system from multiple perspectives

Against the background of China's enterprise transformation and widening supply structure reform, enterprise management is increasingly demanding the ability of accounting information to assist decision-making, and the state has elevated management accounting to a strategic level. The depth of the research on management accounting reporting systems in Chinese academia has also increased, and a variety of different views and perspectives have emerged.

A Strategic Management Perspective

The reviewed literature provides valuable insights into the evolving field of corporate strategic management accounting, which extends beyond traditional management accounting theory by incorporating both external environmental and internal organizational factors in the formulation of corporate strategy. Dong Hongye (2011), advanced the understanding of strategic management accounting by proposing a comprehensive disclosure system that considers both the internal and external environments of a company, emphasizing the need to account for a wide range of factors in strategic management accounting activities.

Building on this foundation, Yin Jingqiu (2012), introduced a novel internal control reporting system from a strategic perspective for enterprise groups. This system aligns reporting with the processes of strategy formulation, implementation, and evaluation at various strategic levels, thus enhancing the integration of strategic management accounting into overall corporate strategic management. Similarly, Tang Shangliang (2015) contributed to the field by examining financial indicators and business processes through a strategic lens, highlighting the importance of incorporating strategic considerations into the design of

management accounting reporting systems to facilitate more informed strategic decision-making.

The research of these scholars has explored the application of strategic management accounting and internal control reporting systems from diverse perspectives within modern enterprise management. Their work not only enriches the theoretical framework of strategic management accounting and internal control but also provides practical guidance for enterprises. As the corporate management environment continues to evolve and strategic management deepens, these findings will remain relevant and influential.

In summary, the literature emphasizes the critical role of adopting a strategic management approach within management accounting practices. By integrating both internal and external factors and aligning management accounting systems with strategic objectives, organizations can improve their strategic decision-making and gain a sustainable competitive advantage.

In conclusion, the reviewed literature highlights the evolving nature of strategic management accounting and its importance in contemporary organizational management. Further research in this domain should continue to explore innovative approaches to integrating strategic considerations into management accounting practices, ultimately contributing to enhanced organizational performance and competitiveness.

Value-Creation Perspective

The literature review offers important insights into the role of management accounting reports in enhancing value creation within organizations. Various scholars emphasize the significance of management accounting reporting systems in supporting decision-making, plan execution, and control evaluation processes.

Guo Min and Zhang Fenglian (2004), along with others, advocate for a comprehensive analysis of value creation processes within enterprises, beginning with financial budgeting, cash flow management, cost control, and management accounting. Their approach stresses the importance of constructing management accounting reporting systems that align with value creation objectives. This holistic analytical framework serves as a crucial reference for businesses, enabling them to better understand and optimize their economic activities to promote value creation.

Zhubo and Yu (2017), further contribute to the theoretical understanding by clarifying the logic of enterprise value creation and proposing a management accounting report that integrates value-based metrics such as Economic Value Added (EVA) and Cash Value Added (CVA). This integration underscores the importance of incorporating value-based measurements into management accounting practices, providing companies with more accurate tools for evaluating economic activities and maximizing value.

Liu Dongjin and colleagues (2018), suggest that management accounting reports should extend beyond serving as decision support tools to also facilitate strategic collaboration and value creation. Their research highlights the evolving role of management accounting in driving organizational success, positioning these reports not just as information transfer mechanisms but as active participants in strategy execution and value creation. Businesses should fully acknowledge the strategic importance of management accounting reports and leverage them to drive development and enhance value creation.

Yuqing (2019), focuses on improving management accounting reports at strategic, operational, and business levels to optimize value creation. By addressing value creation across different organizational dimensions, Huang advocates for a multifaceted approach to management accounting. A hierarchical system of management accounting statements allows companies to more accurately understand economic activities at various levels, providing robust support for value creation.

Yang Jing (2019), emphasizes the need to evaluate management accounting reporting systems from multiple perspectives, including human factors, budgetary considerations, and performance management. This comprehensive evaluation enables organizations to identify potential areas for improvement and optimize value creation efforts. A thorough assessment of the management accounting reporting system helps enterprises identify issues, optimize resource allocation, and improve management efficiency, while human factors remain central to value creation.

Jing (2019), introduces a framework for developing management accounting statements based on business activities and processes, with a strong focus on value creation. By aligning management accounting practices with value-centric strategies, organizations can enhance competitiveness and sustainability. Cao (2022), applies this framework practically by constructing a value-based management accounting system tailored to Beacon Energy Company. Cao's work highlights the importance of customizing management accounting systems to specific organizational contexts to maximize their effectiveness in promoting value creation. This practice-oriented approach enables enterprises to better implement management accounting systems to support value creation and strategic execution. Empirical analysis further validates the theoretical results and offers strong support for academic research. In conclusion, the literature underscores the crucial role of management accounting reports in fostering value creation within organizations. By integrating value-based metrics, aligning with strategic objectives, and adapting to specific organizational contexts, management accounting systems can effectively support value-creation efforts and improve overall organizational performance. Further research should continue to explore innovative methods for optimizing management accounting systems to enhance value creation.

Industry-Finance Integration Perspective

The literature review underscores the pivotal role of industry-finance integration in advancing refined management practices within enterprises, highlighting the use of management accounting tools in value creation. Scholars consistently emphasize the need for robust management accounting reporting systems tailored to the evolving demands of modern enterprises.

Jing (2019), stresses the urgency of implementing enterprise management accounting report systems to support refined management. By integrating perspectives from both industry and finance, enterprises can effectively reduce costs, improve efficiency, and create value. Jing's analysis illustrates the complexity of management accounting reporting systems, which can be designed from various angles and levels to meet organizational goals.

Houchen (2020), proposes optimization schemes for management accounting reports by focusing on the integration of business and financial information. Li's work enriches the theory of financial information integration with management accounting, offering practical solutions for enterprises aiming to improve their accounting practices. He advocates for flexible and multidimensional reporting formats that adapt to specific organizational needs.

Zhibin (2022), reinforces the significance of management accounting in fostering organizational growth through industry-finance integration. By examining how management accounting supports strategic decision-making and performance evaluation, Zhibin emphasizes the holistic approach required for aligning financial and operational objectives. This underscores the essential role of management accounting in bridging finance and business operations

In summary, these scholars provide valuable insights into the relationship between business-finance integration and management accounting reporting systems. Their perspectives not only highlight the necessity of developing such systems but also suggest practical optimization strategies and innovative approaches. However, future research should delve deeper into case studies, industry-specific applications, and technical implementation to better inform business practices.

Overall, the literature demonstrates that industry-finance integration is essential for enhancing management practices and value creation within enterprises. By utilizing management accounting tools and reporting systems, organizations can better navigate complex environments, optimize resources, and improve performance. Further research should continue to explore new ways to integrate industry and finance in management accounting, driving sustained organizational success.

Enterprise Digital Intelligence Perspective

The literature review underscores the growing impact of enterprise digital intelligence on optimizing management accounting reports, driven by advancements in digital technology. Researchers highlight the need to utilize digital intelligence tools to enhance the efficiency, accuracy, and comprehensiveness of management accounting systems.

Du Yong et al. (2020), propose an innovative approach by integrating big data, cloud computing, and blockchain into management accounting reporting. Their study addresses the limitations of traditional systems by improving data collection and processing capabilities. By leveraging blockchain, they present a framework that enhances security and transparency while handling large datasets, offering a significant advancement in the construction of management accounting systems.

Dai Lu et al (2021), emphasize the potential of digital intelligence technology to innovate and optimize management accounting reports. Their research stresses the importance of embracing digital transformation to continuously improve accounting practices and maintain competitiveness in the digital era. They advocate for organizations to adapt proactively to technological trends to harness the benefits of digital intelligence.

Yuanyuan (2022), and Jiang Shenghuang (2022), further highlight the transformative role of big data and digital intelligence in enhancing management accounting reporting systems. Liu Yuanyuan demonstrates how big data can provide stronger data support, improve decision-making, and enable dynamic management practices. Meanwhile, Jiang Shenghuang outlines principles for optimizing management accounting reports, stressing the importance of aligning reporting models with industry-finance integration and enhancing digital capabilities.

Building on these insights, Liu Guangqiang et al (2022), propose an innovative model for intelligent management accounting reporting, integrating blockchain and artificial intelligence (AI) technologies. Their research presents a cutting-edge framework designed to improve the compatibility, efficiency, and functionality of management accounting reports. By leveraging the capabilities of blockchain for enhanced security and AI for advanced data analysis, this approach addresses the evolving demands of management accounting in the digital era, offering a forward-looking solution.

In summary, the incorporation of big data, cloud computing, blockchain, and other technologies into management accounting systems has significant theoretical and practical implications. These technologies not only enhance system performance and security but also provide more comprehensive, accurate, and timely data to support organizational decision-making. However, challenges remain regarding how to effectively integrate these technologies, ensure data security and privacy, and balance the costs and benefits of implementation, which are critical areas for future research.

In conclusion, the literature highlights the central role of enterprise digital intelligence in driving innovation and optimization in management accounting reporting. By adopting digital technologies such as big data, blockchain, and AI, organizations can improve the agility, accuracy, and strategic impact of their management accounting practices. Future research can further explore innovative applications of digital intelligence in management accounting, ultimately helping organizations excel in an increasingly digitalized business landscape.

Other Perspectives

The literature review encompasses various perspectives on management accounting reporting systems, emphasizing different frameworks, strategies, and components to optimize reporting practices. In the table below, we provide a summary and conclusions based on the perspectives outlined:

Table 1
Summary of other Perspectives

Authors	Main points
Zhang Xianzhi, Liu Yuanyuan(2010)	Building an internal reporting framework and system based on information, management, and operation processes.
Liu Hong(2014)	Based on the balanced scorecard strategy, the strategic value of integrating the balanced scorecard with various management accounting tools in a unified framework is analyzed in depth, providing data for other enterprises of the same type.
Zhang Xianzhi(2015)	The management accounting reporting system can be constructed based on four components: capital, assets, production, and commodities.
Du Haixia(2016)	Considering Huawei's R&D investment as the research object, we analyzed the structure of the R&D cost management reporting system and established a management accounting reporting system based on R&D objectives.
Zhao Tuanjie, Ji Jianhui(2019)	Based on management accounting guidelines, a management accounting reporting framework was built to categorize reports from the perspectives of corporate strategy, internal control, operational processes, finance and taxation, and social responsibility.
Hao Xuxin(2019)	The fundamental idea of the balanced scorecard was used as a guide to establish a multi-level management accounting reporting system oriented to the information needs of each level.
Zhang Biao(2020)	We used management accounting tools such as SWOT analysis and PEST analysis to analyze the strategic objectives of sustainable development and effectively combine environmental management accounting reports with green management control procedures to promote the implementation of green development in enterprises.
Shen Zhiqi(2022)	There is some practical value in assessing the feasibility of embedding management accounting effectiveness evaluation directly into the management accounting reporting system from a more comprehensive perspective. The theory of sustainable development is constructed based on corporate governance accounting reports for studying the governance structure of corporate sustainability and the sustainability of stakeholders. Incorporating the theory of sustainable development into corporate governance accounting reports can help enterprises realize the overall objectives of the three levels of economy, environment, and society under the guidance of managers.
Xie Ying, Yang Jie(2023)	

In conclusion, the literature review highlights diverse approaches toward optimizing management accounting reporting systems. These perspectives offer valuable insights into enhancing information accuracy, strategic alignment, and organizational performance. By integrating various frameworks, strategies, and components, enterprises can develop robust reporting systems that support informed decision-making, efficient operations, and sustainable development. Further research in this domain can continue to explore innovative methods for enhancing management accounting reporting practices to satisfy evolving organizational needs and mitigate industry challenges.

2. A Review of Studies on the Application of Management Accounting Reporting System in Different Industries in China

With the deepening of economic globalization, enterprise management accounting faces increasing challenges. To enhance its effectiveness, it is crucial to establish a standardized and scientific management accounting reporting system. However, due to a lack of practical application experience, there remain significant gaps in the development of the theoretical framework. In recent years, scholars have increasingly recognized the importance of management accounting for corporate development and have proposed numerous theoretical models. Despite this progress, there remains a scarcity of industry-specific studies, limiting the practical application of management accounting reporting systems within Chinese enterprises.

Lin (2010), examines the dual roles of management accounting information in company operations and management, specifically within the context of the real estate industry. He emphasizes the use of the management accounting reporting system in industrial environments and introduces Economic Value Added (EVA) into this framework. Xu highlights the practical significance of measuring corporate value creation and value management. Building on this, Huo Hongyan (2010), conducted an empirical analysis of the management accounting reporting systems of several major Chinese enterprises, revealing the system's role in enhancing corporate value, which is of great significance to the practice of the entire management accounting statement system. However, the aforementioned studies on corporate management accounting statements have been conducted vertically and lack dynamic management accounting statements, thereby restricting the further enhancement of corporate value.

The construction industry is an important part of China's national economy, with a large number of construction projects, a long construction period, and associated complications. Hence, the management and accounting system for construction projects is distinct from that of other industries, which leads to management accounting reports for this industry being different from those of other industries.

Chen (2013), takes China National Erzhong Company as a case study, aiming to overcome the limitations of information exchange by developing a horizontal management accounting reporting system. This approach improved the timeliness of financial reporting. Zhang further incorporated Michael E. Porter's value chain theory into the management accounting framework, enabling a horizontal analysis of value-creating activities across different organizational units. This integration strengthened interdepartmental communication and offered a novel perspective for decision-making processes within the company.

Liu (2013), analyzed the use of management accounting statements in a large construction enterprise and proposed a management accounting reporting system tailored to improve business decision-making for engineering construction firms. However, the research was limited in scope due to the short duration of the study and a lack of comprehensive expertise in engineering construction. Leisheng (2015), in the process of conducting a study on the application of management accounting reports to construction companies, expanded the sample size and survey period to ensure the holistic implementation of the project. Zhang Ao (2018), on the basis of the aforementioned research on the internal management accounting reporting system in the construction industry, described some measures for improvement for certain issues in its implementation process. The findings provide better insights for the enterprise's management accounting report to serve the decision-makers so that it can better guide the actual implementation and enhance the efficiency of the report's use.

Jiang Shenghuang (2022), used a construction company as a case study to explore the application of management accounting reports, concluding that optimizing these reports has evolved beyond simple financial tasks into a complex, multi-faceted project. The involvement and commitment of top management are crucial for success. Given that the development of management accounting reports will persist despite ongoing business and financial integration, enterprises need to enhance the top-level design, elucidate the functions of institutions, improve the institutional mechanism, optimize the business process, transform the relatively independent management system of each department, enhance the ability of business and finance integration, consider the operation and development as the starting point, conduct the process of management of the business, control each link of the business, and conduct the business beforehand, control the business during the process, and evaluate the business subsequently, to enhance the value of the business from the perspective of finance and achieve the purpose of the company's value management.

Yalan (2021), analyzes the many problems that exist in the implementation issues of management accounting reports in Chinese state-owned enterprises, using H Construction Group Company as a case study. The analysis revealed several problems, including delays in reporting, incomplete information, and limitations in data processing. Zhang proposed corresponding countermeasures while emphasizing the importance of maintaining the confidentiality of management accounting information.

Research into the application of management accounting in various industries has yielded some results; however, these studies often remain at the stage of recognizing and learning from management accounting without establishing comprehensive reporting systems. Huang Yuqing (2019), noted that the management accounting statement system at C Petroleum Company still faces issues, such as the lack of a clear division of applicable objects for the statement. Dai, Xiao-che et al. (2019), analyzed the policy foundations for developing a management accounting reporting system in Chinese public hospitals by analyzing the policy basis for the establishment of a management accounting reporting system and explored the improvement programs and mechanisms to serve as a reference for other hospitals in China. Yan (2020), draws on the amoeba management model to XCMG, creating a multi-layered management accounting reporting system based on an analysis of the basic framework of management accounting, and evaluated its application effectiveness.

Haier Group is a pioneer in applying management accounting reports in China. Ao Xiang (2021), through a case study of Haier, highlighted that the company has introduced significant innovations in management accounting reports. This includes the development of the "Win-Win Value-Added Table," a distinctive management accounting statement that embodies Haier's core concept of "people-centeredness" and the group's shared ecosystem.

Yuxin Wang (2023), conducted a study on Company D, a leading pharmaceutical enterprise in China, examining its implementation of enterprise numerical intelligent management accounting statements supported by financial robots. The study reached the following conclusions:

(1) The management accounting report based on robotic process automation (RPA) greatly improves the timeliness of report release.

With the help of RPA, more dynamic and real-time data and information feedback makes it possible for enterprises to calculate and fill in a large number of reports without manual methods, which is crucial for meeting the demands of intense market competition and information accuracy. This advancement contributes to the development of a more efficient management accounting system.

(2) The application of RPA technology for digital optimization of management accounting statements at strategic, operational, and business levels better addresses the information needs at each decision-making level and enhances decision-making efficiency. By expanding the scope and depth of statement analysis, RPA technology not only boosts the long-term competitiveness of enterprises but also serves as a reference for Chinese companies in formulating policies related to management accounting statements.

Overall, scholars have made significant progress in researching the application of management accounting reporting systems, offering valuable support for enterprise decision-making. Future research could advance in several areas:

Further investigation is needed into management accounting reporting systems tailored to the unique characteristics and needs of different industries. This would provide more precise and effective support for enterprise decision-making. data security and privacy protection, which will become more and more important with the continuous development of technology. Future research needs to focus on the exploration and practice of data security and privacy protection. Third, balancing implementation costs and benefits When introducing new technologies and optimizing systems, it is crucial to balance implementation costs with benefits. Future research could explore methods to reduce costs while enhancing benefits. Comparative studies across industries can reveal both similarities and differences in management accounting reporting systems, offering comprehensive guidance for enterprise management decisions.

In conclusion, the application of management accounting reporting systems in various Chinese industries presents both challenges and opportunities. While there have been substantial advancements in understanding and improving these systems, further research is needed to address industry-specific issues and enhance overall effectiveness. Integrating technological advancements, such as RPA, can improve report timeliness, data accuracy, and decision-making efficiency. Additionally, case studies of innovative companies, such as Haier Group, provide valuable insights into best practices. Ongoing research and implementation

efforts are essential for advancing management accounting reporting systems and enhancing organizational performance across China's diverse industries.

Discussion

The author, through a thorough literature review, critically examines the practice of management accounting across various sectors in China. The analysis reveals gaps in the current research, particularly in terms of scope, theoretical depth, and practical application, noting a disconnect between theoretical frameworks and real-world business practices. Additionally, the author identifies important directions for future research in the field of management accounting. This paper seeks to explore these advanced research findings comprehensively, predict and elucidate future development trends in management accounting reporting, and offer meaningful references for both academic researchers and practitioners.

Firstly, although numerous studies provide valuable insights into the application of management accounting across different industries in China, they often focus on macro-level analyses and overlook the finer distinctions within industries. For example, while some research addresses the challenges and opportunities within the construction or healthcare sectors, these studies typically lack an in-depth exploration of specific issues or opportunities within particular industries. To fully comprehend the variations between industries, future research must examine individual sectors more closely, identifying less documented but equally critical challenges and opportunities. This will require researchers to develop customized management accounting solutions that align with the unique characteristics of each industry, enabling more effective responses to their specific needs.

In analyzing the application of management accounting reporting across various industries, researchers must account for factors such as market environment, competitive dynamics, technological advancements, and regulatory frameworks. For example, companies in high-tech industries face rapidly evolving technologies and shifting market demands, necessitating management accounting systems that are highly flexible and capable of providing timely, accurate financial information. In contrast, traditional manufacturing industries often prioritize cost control and production efficiency, requiring a stronger focus on cost allocation and process optimization in the design of management accounting reporting systems. Similarly, the service industry presents unique challenges, such as the need to integrate non-financial metrics like customer satisfaction and service quality into accounting reports. Thus, to offer more precise and effective management accounting reporting solutions, researchers must conduct thorough analyses that address the specific needs and challenges of each industry.

Additionally, emerging technologies such as blockchain and RPA are reshaping traditional management accounting practices. The integration of these advanced technologies can significantly enhance the efficiency of management accounting reporting systems while also influencing organizational decision-making processes. However, there is still limited research on how to effectively incorporate these technologies into management accounting systems. Future studies should examine the ways in which these technologies impact business decisions, operational processes, and customer experiences. Such research will provide

deeper insights into how these innovations can improve organizational performance and how they can be seamlessly integrated into complex management accounting systems.

Blockchain technology, with its characteristics of decentralization, transparency, and immutability, holds significant potential for management accounting applications. For instance, in supply chain management, blockchain can track products from production to sale, ensuring transparency and traceability at every stage, thus enhancing supply chain efficiency and reliability. In auditing, blockchain can offer real-time, immutable transaction records, reducing human intervention and minimizing errors in the audit process, which improves the accuracy and efficiency of audits. Meanwhile, RPA can automate repetitive, high-frequency financial tasks such as invoice processing, expense reimbursement, and financial report generation, significantly boosting work efficiency and reducing human errors. The integration of these technologies not only increases the efficiency of management accounting processes but also provides companies with more accurate, real-time financial data to support decision-making.

However, despite their potential, the practical application of these emerging technologies faces several challenges, including high implementation costs, technological complexities, and integration with existing systems. Future research should focus on examining the real-world effects, potential issues, and solutions surrounding the adoption of these technologies, helping companies better utilize them to enhance their management accounting practices.

Additionally, longitudinal studies are essential for tracking and understanding the evolution of management accounting practices over time. Such research can uncover changing trends within industries and identify best practices. By continuously monitoring the development of management accounting reporting systems, researchers can build empirical models, identify new challenges, and explore emerging opportunities. This long-term research approach is crucial for gaining a deeper understanding of the dynamics shaping management accounting practices and provides valuable empirical support for decision-makers and practitioners in the field.

In longitudinal studies, researchers should focus on data continuity and consistency to ensure the reliability and validity of research results. For instance, by systematically analyzing financial data and management accounting reports from different periods, researchers can identify the financial status, operational performance, and changes in management accounting systems of companies at different development stages. This critical examination not only elucidates long-term trends in management accounting practices but also helps companies identify and address specific challenges and opportunities at different developmental stages. For instance, during periods of rapid economic growth, companies may need to focus more on market expansion and investment decisions, whereas during economic downturns, cost control and risk management are crucial. Via longitudinal research, researchers can provide more futuristic and practical management accounting guidance, helping companies achieve sustainable development in different economic environments.

Qualitative research plays an essential role in exploring the challenges associated with the implementation of management accounting reporting systems. While some studies briefly touch upon these barriers, a more comprehensive understanding requires an in-depth

exploration of the perspectives of organizational stakeholders. Gaining insight into how these stakeholders perceive and implement these systems is crucial for identifying the factors that influence successful adoption and execution. By understanding these practical challenges, strategies can be devised to overcome obstacles and enhance the overall effectiveness of management accounting practices.

In qualitative research, methods such as in-depth interviews, focus groups, and case studies are valuable for obtaining a detailed understanding of the specific issues and solutions encountered by different organizations during the implementation process. For instance, by conducting interviews with senior management, financial department staff, and IT personnel within companies, researchers can uncover experiences and suggestions related to system selection, coordination, communication challenges, and solutions developed during system usage. These qualitative insights not only highlight practical obstacles but also provide actionable recommendations for improving the effectiveness of management accounting reporting systems. Moreover, analyzing successful cases can help researchers identify best practices, offering valuable guidance for other companies looking to implement similar systems. This promotes the broader application and development of management accounting reporting systems across industries.

Additionally, cross-industry comparative studies are vital for identifying which aspects of management accounting reports are universally applicable and which differ significantly across industries. By comparing practices across sectors, researchers can extract transferable lessons and best practices, providing guidance for industries. These insights and best practices can positively impact organizational management, enhancing efficiency and optimizing resource allocation.

Cross-industry comparative studies can provide valuable insights into both the commonalities and differences in the application of management accounting reports across various sectors. For example, while the fundamental principles of management accounting remain consistent between industries, the specific applications and practices can vary significantly. In manufacturing industries, the focus is often on controlling production costs and improving efficiency, whereas in service industries, the emphasis may shift toward managing service quality and enhancing customer satisfaction. By comparing these practices, researchers can identify which management accounting reports are universally applicable and which need to be tailored or optimized to suit the unique characteristics of each industry. This comparative approach not only strengthens the theoretical framework of management accounting but also provides practical, industry-specific guidance to help organizations more effectively achieve their business objectives.

Another critical area of focus is the influence of the regulatory framework on management accounting reports. Shifts in the regulatory environment can have a direct impact on the design, implementation, and reporting processes within management accounting systems. Particularly in highly regulated industries, regulatory requirements for management accounting reports can lead to significant changes. Therefore, future research should focus on the mechanism underlying the specific impact of changes in the regulatory environment on the preparation, disclosure, and compliance processes of management accounting reports.

For example, regulatory changes in the financial industry significantly influence management accounting practices. With the increasing global emphasis on financial regulation, financial institutions are now required to disclose more detailed information on risk management and capital adequacy in their management accounting reports. This development has added complexity to the preparation of these reports and heightened the requirements for the design and implementation of management accounting systems. Similarly, in the environmental protection sector, as regulations become more stringent, companies must account for environmental costs and green investments more transparently in their management accounting reports. This necessitates the addition of compliance analysis and reporting modules to management accounting systems to ensure regulatory adherence. Given the variation in regulatory requirements across industries, researchers must thoroughly analyze these differences and offer tailored improvement suggestions to help companies enhance operational performance while staying compliant with regulatory standards.

In conclusion, while the literature review presents a range of insightful perspectives on the practice of management accounting in China, many research gaps still exist. Addressing these gaps will not only deepen our understanding of management accounting practices but will also enrich our knowledge of industry-specific differences and provide a stronger theoretical foundation for strategic decision-making, organizational performance enhancement, and value creation. Over time, the hope is that further high-quality research will support the continued global advancement and application of management accounting.

Future research should maintain a strong focus on innovation and the practical application of management accounting, particularly concerning emerging technologies, industry-specific differences, and the evolving regulatory landscape. By delving into these cutting-edge issues, researchers can offer new perspectives and methodologies for advancing management accounting theory and provide more scientific, effective support for business management. Ultimately, the development of management accounting will not only raise the level of corporate operational management but also foster the sustainable and healthy growth of the broader economic system.

In summary, this paper mainly discusses the following topics, as shown in Table 2:

Table 2

Topics Discussed in the Article

Topic	Main Content	Extended Explanation
Purpose of Literature Review	Combine the latest domestic and international developments to predict and elucidate future trends in the field of management accounting, providing references for academia and practice	In-depth examination of the limitations of current management accounting research and outline the blueprint for future research Detailed analysis of each industry is needed to provide tailored management accounting solutions, such as the high-tech industry requiring flexibility to adapt to changes, traditional manufacturing focusing on cost control, and the service industry considering customer satisfaction
Need for Research on Industry-specific Differences	Many studies are conducted with a primary macro-level focus, ignoring industry-specific differences Emerging technologies such as blockchain and RPA are changing management accounting practices, enhancing reporting system efficiency, and influencing decision-making processes	Blockchain in supply chain management and financial auditing, RPA in automating financial tasks, studying their actual application effects and potential issues Continuous observation of the development trajectory of management accounting reporting systems is needed to provide forward-looking and practical management accounting guidance, helping companies achieve sustainable development in different economic environments
Impact of Emerging Technologies	Longitudinal studies reveal industry trends and best practices, helping to build improvement models, identify new challenges, and explore new opportunities	Through in-depth interviews, focus groups, and case studies, specific problems and solutions can be revealed, providing feasible improvement suggestions to help companies better cope with challenges in the implementation process
Importance of Longitudinal Studies	Qualitative research delves into the obstacles and stakeholder perspectives in the implementation of management accounting systems	Manufacturing focus on cost control, the service industry emphasize service quality and customer
Role of Qualitative Research	Comparing management accounting practices across different industries to	
Cross-industry Comparative Studies		

	identify commonalities and differences	satisfaction, cross-industry comparisons elucidate universally applicable methods and industry-specific adjustments and optimizations
Impact of Regulatory Framework	Changes in the regulatory environment affect the design and implementation of management accounting reporting systems	The impact of regulatory changes in the financial and environmental sectors on management accounting, companies need to reflect more compliance analysis and reporting modules in management accounting reports
Future Research Directions	Continuous focus on innovations and practices in management accounting, bridging research gaps, and promoting theoretical and practical development	Explore the application of new technologies, industry differences, and changes in the regulatory environment to provide new perspectives and methods, enhance business management levels, and promote the healthy development of the economic system

Conclusion

After a comprehensive review and analysis of the literature on the construction and application of China's management accounting reporting system, several key conclusions emerge that warrant further elaboration.

Firstly, from the broad perspective of value creation, the role of management accounting reports has undergone a profound transformation. Traditionally, management accounting reports were seen as tools for summarizing and presenting financial information, primarily intended to inform decision-makers about the company's financial status. However, with the evolving economic environment and market demands, this singular role has shifted. Modern management accounting reports are no longer just historical financial summaries; they are integral components of a company's strategic decision-making framework. This shift elevates the importance and function of management accounting reports, making them vital instruments for corporate value creation and enhancement.

In today's data-driven and highly competitive environment, the function of management accounting reports has expanded beyond the scope of traditional financial reporting. Through advanced data processing and analysis, modern management accounting reports integrate both internal financial and non-financial data with external market information, including industry trends, competitor movements, and broader economic factors. This comprehensive approach provides a holistic view of the company's operations and market conditions, offering valuable decision-making support for corporate management. By thoroughly analyzing business operations and the external environment, management accounting reports enable management to identify opportunities, anticipate risks, and make informed strategic decisions, thereby strengthening the company's market position. For example, detailed cost analysis and budget management allow companies to ensure that each

investment achieves maximum returns. This targeted resource allocation enhances operational efficiency and profitability. Ultimately, these measures collectively drive sustained growth and value maximization, laying a solid foundation for the sustainable development of the company.

Secondly, with the rapid advancement of information technology, the management accounting reporting system is entering a new era of vast potential. Emerging technologies such as big data, cloud computing, and artificial intelligence are injecting fresh momentum into the development and application of management accounting reports. These technologies have significantly enhanced the capabilities of reporting systems in terms of data collection, processing, and analysis. For instance, big data technology can process and analyze large volumes of both structured and unstructured data, providing more comprehensive business insights. Artificial intelligence further improves the accuracy and usefulness of reports by offering predictive and prescriptive analytics. However, this technological transformation also poses novel challenges. Companies are required to continually upgrade their technological capabilities to maintain pace with technological developments. Additionally, there is a need to strengthen the talent pool by cultivating a cohort of professionals proficient in both management and information technology. Only in this way can companies achieve dual improvements in the quality and efficiency of management accounting reports with the support of new technologies.

From a practical perspective, several issues and challenges persist in the construction and application of China's management accounting reporting system. A significant challenge is the disparity among companies in terms of the development of their management accounting reporting systems, with no unified standards or norms in place. This results in considerable differences in the format, content, and depth of management accounting reports among companies, making comparisons and analyses across companies difficult. For example, some companies may place excessive emphasis on short-term financial metrics in their reports, while overlooking the representation of long-term strategic goals, a situation that hinders standardization and comparability within the industry.

In contrast, some companies rely too heavily on financial data in their management accounting reports, often neglecting non-financial information. This overemphasis on financial metrics compromises the comprehensiveness and accuracy of the reports. Non-financial indicators, such as customer satisfaction, market share, and brand influence, are equally critical for a company's long-term growth and strategic decision-making. Ignoring these indicators can result in an incomplete understanding of the market and internal operations, thereby undermining the scientific basis and effectiveness of decision-making. To address these challenges, future research and practice should focus on several key areas. First, there is a need to strengthen theoretical research on the construction and application of management accounting reporting systems, aiming to explore more scientific and reasonable frameworks and strategies. Such research can provide companies with systematic guidelines for building management accounting reports. For instance, studies could explore how to better integrate financial and non-financial data to improve the comprehensiveness and depth of reports, offering stronger support for strategic decision-making.

Second, enhancing international exchange and cooperation, and learning from advanced global practices, can aid the international development of China's management accounting reporting system. By adopting global best practices, unified international reporting standards could gradually be established and promoted, thus boosting the global competitiveness of China's management accounting system. Additionally, promoting the use of information technology in management accounting reporting is another critical direction for future development. Companies must continually improve their proficiency in emerging technologies such as big data and artificial intelligence, leveraging technological innovations to enhance the quality and efficiency of their management accounting reports. For example, by implementing data-driven decision support systems, companies can more accurately predict market changes and develop strategic plans. The application of technology can significantly enhance the accuracy and usability of management accounting reports, thereby creating greater value for businesses.

Establishing unified standards and norms for management accounting reports is essential for enhancing the comparability of reports across different companies. By developing industry-specific standards, organizations can prepare reports under consistent guidelines, thereby improving both the comparability and analytical utility of the reports. Additionally, greater emphasis on non-financial information in management accounting reports allows for a more comprehensive reflection of a company's operational status and market trends, thereby increasing the overall value of the reports. Furthermore, strengthening the training and recruitment of management accounting talent is critical for improving the quality and sophistication of corporate management accounting reports. By cultivating highly skilled management accounting professionals, companies will be better equipped to address complex reporting demands and technological challenges. Establishing professional training programs and certifications to enhance the technical and professional competencies of practitioners will contribute to the improvement of report quality and effectiveness, laying a strong foundation for the construction and application of management accounting reporting systems.

In conclusion, the construction and application of China's management accounting reporting system is a complex and significant subject. With ongoing economic globalization and the rapid development of information technology, management accounting reports are playing an increasingly important role in corporate operations. Moving forward, it is essential to continue strengthening theoretical research and fostering practical innovation to drive the ongoing improvement of China's management accounting reporting system, thereby providing stronger support for companies' sustainable development. Through continuous exploration and innovation, management accounting reports can maintain their central role in a dynamic market environment, helping companies achieve higher strategic objectives and economic benefits.

Acknowledgement

Non-funded

This research received no specific grant from any funding agency in the public, commercial, or not-for profit sectors.

References

- Ao, X. (2021). Driving organizational ecological win-win through the reform of management accounting report framework: Design and application exploration of Haier's win-win value-added statement [J]. *Management Accounting Research*, 4(06), 48-55+87.
- Cao, Y. N. (2022). Research on management accounting reporting system based on value creation: Taking Beacon Energy as an example [J]. *Communications of Finance and Accounting*, (01), 171-176.
- Chen, Z. B. (2022). Research on the construction path of management accounting application system under the background of industry-finance integration [J]. *Modern Business*, (19), 154-156.
- Dai, L., & Yin, H. X. (2021). Improvement and innovation of management accounting reports driven by digital intelligence technology [J]. *Management Accounting Research*, (03), 6-14+87.
- Dai, X. Z., & Zheng, D. X. (2019). Research on the construction of multi-level management accounting report system in public hospitals [J]. *Chinese Health Economics*, (6).
- Dong, H. Y. (2011). Construction of internal reporting system based on strategic management accounting [J]. *Finance and Accounting Monthly*, 99(5).
- Du, H. X. (2016). Construction of R&D cost management report system: Based on the analysis of Huawei's R&D investment [J]. *Finance and Accounting Monthly*, (3).
- Du, Y., Xie, B., & Li, Q. (2020). Construction of management accounting reporting system based on blockchain [J]. *Friends of Accounting*, (08), 153-159.
- Guo, M., & Zhang, F. L. (2004). Thoughts on the integration of financial management and management accounting. *Management World*, (11), 152-153.
- Hao, X. X. (2019). Research on the construction and application of management accounting report system based on balanced scorecard in H company [D]. Harbin: Harbin University of Commerce.
- Huang, Y. Q. (2019). Research on the optimization of management accounting reporting system based on value creation in C Oil Company [D]. Changchun: Jilin University.
- Huo, H. Y. (2010). Research on the construction and application of modern enterprise management accounting report system [D]. Dalian: Dongbei University of Finance and Economics.
- Jiang, S. H. (2022). Research on the optimization of management accounting reporting system based on enterprise digitization [J]. *Management Accounting Research*, (02), 83-90.
- Jin, J. (2019). Research on the construction and application of management accounting reporting system in D Company [D]. Hangzhou: Zhejiang University of Technology.
- Li, H. C. (2020). Research on the optimization of management accounting report of BDT company based on the integration of industry and finance [D]. Zhuzhou: Hunan University of Technology. DOI: 10.27730/d.cnki.ghngy.2020.000019.
- Liu, D. J., Liao, S. J., Yao, G. H., & He, L. R. (2018). Construction and application exploration of management accounting reporting system: A case study of China Communications Construction Company Second Harbor Engineering Bureau. *Financial Supervision*, (04):5-18.
- Liu, G. Q., & Gan, S. D. (2022). Intelligent management accounting reports in the context of the new economy: Based on digital technology of "blockchain + artificial intelligence" [J]. *Finance and Accounting Monthly*, (14), 79-85.
- Liu, H. (2014). Construction of strategic management accounting system based on balanced scorecard [D]. Beijing: University of International Business and Economics.

- Liu, J. (2019). Construction and application of enterprise management accounting reporting system based on value creation [J]. *Tax Payment*, 13(22), 74-75.
- Liu, Y. (2013). Applied research on the management accounting report system of construction enterprises: A case study based on F company [D]. Southwestern University of Finance and Economics, Chengdu.
- Liu, Y. Y. (2022). Innovation of management accounting reports driven by big data technology [J]. *Money Management*, (05), 50-52.
- Peng, L. S. (2015). A brief discussion on the applied research of management accounting report system in construction enterprises [J]. *Finance and Economics (Academic Edition)*, (4).
- Qin, Y. (2020). Discussion on the application of enterprise management accounting report system: Taking XCMG as an example [J]. *Communications of Finance and Accounting*, (3).
- Shen, Z. Q. (2022). Construction and innovation of management accounting report system from the perspective of management accounting effectiveness [Master's thesis, Shanghai University of Finance and Economics]. Retrieved from <https://link.cnki.net/doi/10>.
- Tang, S. L. (2015). A brief analysis of the construction of management accounting reporting system based on strategic perspective [J]. *Market Modernization*, (6).
- Wang, B. (2004). On the integrated system of management accounting tools. *Accounting Research*, (04), 59-64.
- Wang, Y. X. (2023). Research on digital and intellectual optimization of enterprise management accounting reports based on RPA [Master's thesis, Guangdong University of Finance and Economics]. Master. <https://link.cnki.net/doi/10.27734/d.cnki.ggdsx.2023.00>
- Xie, Y., & Yang, J. (2023). Enterprise management accounting report system and its application under the theory of sustainable development. *Journal of Qiqihar University (Philosophy and Social Sciences Edition)*, (08), 86-88+99. doi:10.13971/j.cnki.cn23-143
- Xu, L. (2010). Construction and application of EVA-based management accounting report system: Taking real estate enterprises as an example [D]. Dalian: Dongbei University of Finance and Economics.
- Yang, J. (2019). Construction and implementation of enterprise management accounting application system based on value creation [J]. *Modern Marketing*.
- Yin, J. Q. (2012). Research on the construction of internal reporting system based on enterprise group strategic management [D]. Chongqing: Chongqing University.
- Yu, X., & Mao, F. (1990). An exploration of the characteristics of modern management accounting: With comments on the "theory of accounting as a management activity." *China Economic Issues*, (06), 33-38. <https://doi.org/10.19365/j.issn1000-4181.1990.06.006>
- Zhang, A. (2018). Applied research on the management accounting report system of X construction enterprise [D]. Guiyang: Guizhou University of Finance and Economics.
- Zhang, B. (2020). Construction of management accounting report system based on green development [J]. *China Chief Financial Officer*, (2).
- Zhang, C. (2013). Research on the management accounting report system of manufacturing enterprises based on value chain: Taking China Erzong as an example [D]. Master's thesis, Southwestern University of Finance and Economics, Chengdu.

- Zhao, T. J., & Ji, J. H. (2019). Exploration of enterprise management accounting report framework [J]. *Friends of Accounting*, (2).
- Zhang, X. Z., & Liu, Y. Y. (2010). Research on the construction of enterprise internal reporting framework [J]. *Accounting Research*, (8).
- Zhang, X. Z. (2015). Several issues on the construction of management accounting theory system [J]. *Finance and Accounting*, (4).
- Zhang, Y. L. (2021). A brief discussion on the problems and countermeasures in the application of management accounting reports in central enterprises [J]. *Finance and Economics*, (31): 160-161.
- Zhu, B., & Li, Y. (2017). Construction and implementation of enterprise management accounting application system based on value creation [J]. *Accounting Research*, (7).