

Path and Mechanism of Enterprise Operational Decision Value Realization Driven by Management Accounting

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ABSTRACT

Under the background of complex and changeable global economy and increasingly fierce market competition, it is the key for enterprises to improve the scientificity and effectiveness of business decision-making to obtain competitive advantage. As an important tool to integrate accounting information and management, management accounting has expanded its role from traditional accounting to decision support and value creation. This paper systematically constructs three paths of management accounting-driven value realization: decision-making optimization path based on information support, value-enhancing path based on process control and decision-making landing path based on performance orientation. In order to ensure the smooth operation of these paths, this paper further analyzes the three supporting mechanisms behind them: information transmission mechanism, incentive and restraint mechanism and collaborative guarantee mechanism. Path and mechanism are interdependent and synergistic, which constitute a complete logic system of management accounting-driven enterprise decision-making value realization. They provide theoretical framework and practical guidance for enterprises to systematically promote the application of management accounting in practice.

KEYWORDS

Management accounting; Management decision; Value realization; Path; Mechanism

1 Introduction

With the complexity of global economic environment and the aggravation of enterprise competition situation, the correctness and effectiveness of enterprise management decision-making is directly related to its survival and development ability. Under this background, how to fully excavate and utilize internal management information to support scientific decision-making has become a key issue for enterprises to enhance core competitiveness. As an important branch of accounting combined with modern management science, management accounting has gradually shifted its core function from traditional post accounting and reporting to providing prospective and multidimensional information support for enterprise planning, decision-making, control and evaluation. In-depth discussion on how management accounting drives enterprise management decisions and ultimately realizes value creation not only has important theoretical significance, but also has urgent practical value in guiding enterprise practice and promoting management upgrading.

This paper focuses on the path and mechanism of management accounting-driven value realization of enterprise management decisions. The value realization of business decisions means that the strategic choices and daily operations of the enterprise can effectively guide resources to areas with higher returns, and ensure the achievement of predetermined economic goals through precise control of the process and scientific evaluation of the results. Management accounting is deeply embedded into each link of enterprise value chain through its unique analysis tools and method system, which is expected to play an irreplaceable role in reducing decision-making uncertainty, optimizing resource allocation and stimulating organizational behavior.

2 Relevant Theoretical Basis

2.1 Definition of Core Concepts of Management Accounting

Management accounting is a branch of accounting developed to meet the internal management needs of organizations. Its core lies in identifying, measuring, analyzing, interpreting and transmitting financial and non-financial information to directly serve the planning, decision-making, control and evaluation activities of enterprises. Unlike traditional financial accounting, which focuses on external stakeholders and emphasizes historical information recording and reporting, management accounting has an introverted and forward-looking vision. It is deeply integrated into the business processes and management context of the enterprise and is designed to provide management with differentiated information relevant to specific decisions. The category of management accounting evolves with the development of management practice and information technology. Its core tools and methods cover many fields, such as cost calculation and management, overall budget management, performance evaluation and incentive, business prediction and analysis, risk management, etc. These tools and methods do not exist in isolation, but together constitute

an information and control system that supports value creation.

2.2 Enterprise Management Decision-making Value Realization Connotation

The value realization of business decision-making refers to the process and result of an enterprise's ultimate achievement of its preset value goal through a series of strategic and operational decision-making and execution. Value is a multi-dimensional concept, its core is the creation and acquisition of economic value, which is embodied in the construction of long-term competitive advantage of enterprises, the improvement of profitability, the increase of shareholder wealth and the optimal allocation of resources. Value realization is not equal to simple profit acquisition, it is a complete chain covering value identification, value creation and value harvest. The value realization of a decision first depends on the quality of the decision itself, that is, whether the decision is based on accurate judgment of the market environment, internal resources and capabilities, and chooses the right direction of action. Second, value realization depends on the efficient execution of decisions and dynamic control of processes to ensure that organizational activities do not deviate from the predetermined track and that strategic intentions are translated into concrete business results. Finally, it requires scientific performance evaluation to measure the ultimate effect of value creation and form feedback to guide future decision-making cycles.

2.3 Theoretical Connection Between Management Accounting and Business Decision-making

There are multiple theoretical correlations between management accounting and business decisions. Information economics theory regards management accounting as a key information mechanism, which can effectively reduce uncertainty and information asymmetry in decision-making environment and improve decision-making quality by providing differentiated cost information and analysis reports. Contingency theory emphasizes that the effectiveness of management accounting system depends on its matching and adaptation with situational factors such as organizational strategy, structure and external environment, indicating that its tools and methods must serve specific decision-making situations. In addition, principal-agent theory reveals the role of management accounting in coordinating interests and guiding behaviors. Through budgeting, performance measurement and evaluation, it decomposes organizational goals into action guidelines for agents at all levels to ensure the implementation and implementation of decisions. These theories lay the theoretical foundation of management accounting-driven decision-making value realization.

3 Current Situation and Problems of Management Accounting-driven Enterprise Management Decision Value Realization

3.1 Application Status

At present, the value of management accounting in enterprise management decision-making is increasingly valued, and its application has shown a general trend of gradual deepening from point to surface. In terms of application breadth, many enterprises, especially large and medium-sized enterprises, have generally introduced basic tools such as comprehensive budget management, standard cost method, cost-volume-profit analysis, etc. Budget management, as the core planning and coordination tool, has become the standard process of annual business plan formulation for most enterprises; cost management has also expanded from single product cost accounting to more refined directions such as activity-based cost management and strategic cost analysis. In the aspect of information support, with the popularization of enterprise resource planning system, the data foundation of financial business integration has been established, which provides technical possibility for management accounting to obtain real-time and integrated information, and makes dynamic management activities such as rolling forecast and multidimensional profit analysis have operational foundation. From the perspective of functional orientation, the role of financial departments in some enterprises is gradually shifting from traditional bookkeeping and reporting to business partners providing decision analysis support for business departments, and the scope of functions of management accountants is expanding accordingly. However, the depth and effectiveness of such applications vary significantly across companies. The practice of many enterprises is still in the passive execution level of complying with the system requirements, the combination of management accounting tools and business decision-making scenarios is not close enough, the insight and foresight of information analysis need to be improved, and the value potential of driving decision-making has not been fully released.

3.2 Main Issues

Although some progress has been made, management accounting still faces a series of outstanding problems to be solved in the process of driving the realization of business decision-making value. First, the disconnect between conceptual cognition and practice constitutes a fundamental obstacle. Some senior managers' understanding of management accounting still stays in the narrow scope of cost control and expense control, and fails to systematically deploy from the height of strategic support and value creation, resulting in insufficient resource investment, difficulty in

cross-department coordination, and difficulty in obtaining strong organizational promotion for management accounting system. Second, there are shortcomings in system integration and data quality. Many enterprises' management accounting systems are separated from business operation systems and strategic management systems, forming information islands, making it difficult to integrate data and unable to provide complete and coherent value chain analysis. At the same time, the accuracy, timeliness and granularity of basic data sources are insufficient, which seriously restricts the reliability of analysis models and the effectiveness of decision support. Thirdly, professionals and capacity-building lag behind. There is a general shortage of compound management accounting talents with accounting professional knowledge, deep business understanding, data analysis skills and strategic vision. The ability structure of existing financial personnel cannot fully meet the requirements of in-depth decision support. Finally, performance convergence and closed-loop management are weak. The correlation between management accounting analysis results and performance appraisal and incentive mechanism is not strong, and closed-loop management cannot be formed, which makes many analysis suggestions stay on paper and cannot effectively drive action landing and continuous optimization. These problems interweave with each other and restrict the full play of the value creation function of management accounting.

4 Management Accounting-driven Path to Value Realization of Enterprise Management Decision

4.1 Decision-making Optimization Path based on Information Support

The first way for management accounting to drive the realization of the value of business decisions lies in building a powerful information support system to optimize the input quality of decisions, thus directly affecting the scientificity and accuracy of decisions. At its core, management accounting systematically collects, processes, and analyzes financial and non-financial information to transform internal operating data, external market environment, and strategic objectives into insights that can be directly used at different levels of decision-making. Specifically, at the strategic decision-making level, management accounting transforms abstract visions into specific financial and customer goals through tools such as strategic maps and value chain analysis, and identifies key drivers to provide quantitative evaluation basis for strategic choices. At the investment and product decision-making level, management accounting can clearly reveal the profit model, cost structure and risk exposure of different schemes with the help of cost-benefit analysis, marginal contribution analysis and life-cycle cost calculation, and assist management to make economically better choices on key issues such as capacity expansion, product line selection and pricing strategy. In daily operation decision-making, standard cost and variance analysis, resource consumption accounting and other tools provide real-time data feedback for production efficiency improvement and procurement scheme optimization. The validity of this path depends on the deep fusion of financial data and the strong support of information system. Management accounting needs to break through the limitations of traditional financial data, integrate multi-dimensional business data such as production, sales and R & D, and construct a management report system that can dynamically reflect value drivers. As a result, decision makers can shift from relying on empirical intuition to data-based insight and analysis, significantly reducing ambiguity and subjectivity in the decision-making process, improving the quality of decisions from the source, and laying a reliable factual and logical foundation for the ultimate value realization.

4.2 Value Enhancement Path based on Process Control

The second critical path for management accounting-driven value realization is to ensure that strategic and operational plans do not deviate from the predetermined track during implementation and continue to explore opportunities for value enhancement through dynamic control systems embedded in business processes. Total budget management plays a central skeleton role in this path. It is not only a planning tool, but also a control standard. Management accounting establishes performance benchmarks by breaking down strategic objectives into specific, measurable budget objectives for each responsibility centre. On this basis, through real-time monitoring and regular analysis of budget performance, management accounting can identify the impact of operational deviations, waste of resources or market changes in a timely manner by comparing actual results with budget targets. This deviation analysis is not only for accountability, but also for the deeper purpose of tracing the cause, finding the root cause of the problem, and triggering management actions to correct it, forming a closed-loop management of "plan-execution-monitoring-feedback-adjustment". In addition, standard cost control, activity-based cost management and other tools push cost control from post-event accounting to in-process supervision. By tracking resource consumption and operational efficiency in all aspects of production, management accounting can reveal bottlenecks and non-value-added activities in the value creation process, and promote process optimization and continuous improvement. This path emphasizes the preposition and continuity of management accounting. It requires management accounting activities to closely accompany business flow, capital flow and physical flow. By setting key performance indicators, early warning thresholds and flexible rolling forecasts, it realizes dynamic navigation of business process, so as to transform the value blueprint set

by decision-making into controllable and manageable daily actions, effectively prevent value leakage, promote continuous improvement of operation efficiency, and ensure solid and stable value creation process.

4.3 Performance-oriented Decision-making Landing Path

The starting point of this path is to translate strategic objectives into a set of key performance indicators covering financial, customer, internal processes, learning and growth dimensions through a framework such as balanced scorecard. These metrics serve as a bridge between strategy and execution, translating macro decisions into specific tasks that employees at all levels can understand and influence. Management accounting systems are responsible for measuring, tracking and reporting these performance indicators on an ongoing basis. In the performance evaluation process, management accounting clearly defines the rights and responsibilities boundaries of cost centers, profit centers, investment centers and other responsibility units through the responsibility accounting system, and uses internal management assessment indicators such as contribution gross profit, residual income, and economic added value to its Operating results are measured fairly and objectively. This measurement abandons the limitations of a single financial outcome and focuses more on value-driven long-term factors and the accuracy of accountability. Finally, performance evaluation results must be directly linked to incentives and constraints such as salary, bonus, promotion, etc. The accurate and multidimensional performance data provided by management accounting provide the cornerstone for the fairness and effectiveness of incentive schemes. Through the complete chain, management accounting internalizes the overall goal of organizational value creation into the behavior motivation of each team and individual, solves the motivation and coordination problems in the implementation of decisions, thus driving the whole organization to work together in the direction of the value preset by the decision, and ensuring that the value is finally transformed from paper planning to real business results and organizational capabilities.

5 The Mechanism of Management Accounting-driven Enterprise Management Decision Value Realization

5.1 Information Transmission Mechanism

Management accounting-driven value realization depends on an efficient and accurate information transmission mechanism. The core function of this mechanism is to construct and maintain an effective information channel from the data source to the decision destination, ensuring that relevant, timely and accurate information can be smoothly transmitted and properly understood and applied. This mechanism firstly collects, cleans and transforms the original business data and financial data scattered in R & D, production, sales and other links according to the rules of management accounting through standardized data definition and integrated information system to form structured management information. According to the difference of information demand at different decision-making levels, it classifies, processes and refines information. For example, delivering highly aggregated trend analysis and strategic benchmarking information to the strategic level and providing specific, real-time operational cost and efficiency feedback to the executive level. More importantly, the mechanism actively pushes the analysis results to relevant responsible persons in a visual way through regular management reporting systems, business analysis meetings and digital management dashboards. This not only solves the problem of information asymmetry, but also enables decision makers to make judgments based on consistent information bases by establishing standardized information flow processes and feedback loops, and executives can clearly understand the expectations and evaluation basis for their own work. A sound information transmission mechanism ensures that the knowledge generated by management accounting can cross organizational boundaries and penetrate into every link of decision and execution, becoming a nervous system connecting data and actions, strategy and operations.

5.2 Incentive and Restraint Mechanism

The value-driven role of management accounting needs to take root through a strong incentive and restraint mechanism. This mechanism aims to connect the value goal pursued by the organization with the interests and behavior motives of managers and employees at all levels, guide and standardize their decision-making and execution activities, and make them consistent with the overall value creation direction. The construction of incentive and restraint mechanism closely depends on the performance measurement and evaluation function of management accounting. Through responsibility accounting system, management accounting system scientifically defines the economic responsibility of each responsibility center, and uses comprehensive performance indicators such as economic added value, balanced scorecard, and specific operation indicators such as budget completion rate and cost savings to objectively and fairly measure the contribution of responsible subjects. These measurements provide precise "yardsticks" for incentives and constraints. At the incentive level, the performance evaluation results are directly linked to rewards such as salary, bonus, equity incentive and career development, and those behaviors and achievements that make

positive contributions to value creation are rewarded, thus stimulating the internal motivation of organization members. At the constraint level, through rigid budget control, cost quota management and warning and accountability of performance failure, the behavior boundary and consequence are clarified, and short-sighted behavior or opportunistic tendency that may damage organizational value is restrained. The effectiveness of this mechanism lies in its fairness and transparency. It makes the rules of value creation clear, rewards and punishments evidence-based, and ensures that the goals set by management accountants can be translated into individual conscious actions.

5.3 Collaborative Guarantee Mechanism

The effective operation of management accounting system and its drive to decision-making value are not independent of financial department, but rooted in a guarantee mechanism of multi-factor synergy. The core of this mechanism is to create the necessary organizational environment and basic conditions for the deep application of management accounting through the systematic cooperation of organizational structure, system flow, technical platform and personnel ability. At the organizational and institutional level, clear lines of authority and strong commitment from senior leaders are needed. Enterprises need to establish cross-department management accounting working groups or committees, break down departmental walls, stipulate the responsibilities of business departments in data provision, process coordination and common analysis from the system, and ensure that the integration of business and finance is supported in the organizational structure. Senior management must view management accounting as a strategic management tool rather than a simple financial tool, providing ongoing support in resource allocation and change driving. Technology platforms are critical enablers. An integrated enterprise information system is the foundation for management accounting to capture real-time, integrated data, while analytics tools such as business intelligence improve the efficiency and depth of data processing and insight mining. Technology guarantees the smoothness of the information transmission mechanism and the accuracy of the data required by the incentive and constraint mechanism. Professional talents and culture are soft guarantees. Training and introducing compound talents with financial, business and data analysis capabilities, and publicizing management accounting concepts and methods to all employees, will help to form a common cognitive and behavioral model of using data to speak, managing according to processes, and rewarding and punishing performance in the entire organization.

6 Conclusions and Prospects

This paper demonstrates systematically that management accounting-driven value realization of enterprise management decision is a systematic process led by path and guaranteed by mechanism. Three core paths—decision-making optimization based on information support, value enhancement based on process management and control, and performance-oriented decision-making landing—cover the whole chain of value creation from the front, middle and back ends of decision-making respectively. The three mechanisms of information transmission, incentive constraint and coordination guarantee provide basic support and power source for the smooth operation of the path. The organic integration of path and mechanism constitutes the inherent logic of management accounting enabling enterprises to make scientific decisions and realize value appreciation.

Looking ahead, digital technology's profound changes in management accounting models and decision support methods require continued attention. The study should further combine the specific situations of different industries and scale enterprises to enhance the practical applicability of the theory. At the same time, introducing organizational behavior perspective to explore how management accounting affects individual and organizational behavior, and building an evaluation system to measure its value contribution, will be an important in-depth research direction.

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