

BETTER TOGETHER: MANAGEMENT ACCOUNTING AND DYNAMIC CAPABILITIES

Andrew Fultz (aefultz@utep.edu), Aaron Nelson (aenelson@utep.edu)

Abstract:

Management accounting and strategic management have clearly aligned purposes, yet too often remain siloed. The former involves planning, control, and decision-making processes, and the creation/distribution of knowledge through accounting systems, yet it struggles to articulate its strategic role to top management. The latter examines organizational capabilities as drivers of heterogeneous firm competitive advantage, yet struggles to establish the underlying processes that give rise to such capabilities. This siloing is reflected in the respective research streams as well, despite the potential for each to complement the other. In this study, we propose a theoretical integration by positioning management accounting as a critical underlying process that is central to enabling the sensing, seizing, and transforming capacities that constitute dynamic capabilities. We propose that management accounting practices aggregate over time to support firm-level dynamic capabilities. This advances a small but growing interdisciplinary research stream that combines management accounting and strategic management, and opens new pathways for future research and insights for practice.

1. INTRODUCTION

“CEOs need help getting a clear picture of the organization’s performance and where future business opportunities are...Management accountants are the key...” – AICPA & CIMA

“Yeah, it’s always better when we’re together.” – Jack Johnson, from “Better Together”

Management accountants use financial and non-financial data to help organizations achieve their objectives (Akroyd et al., 2023; Horngren et al., 2012). They are critical to informing strategic planning, guiding decisions, managing risk, and monitoring performance (IMA, 2023). Concurrently, strategic management involves defining an organization’s major goals and objectives, creating competitive advantages, and using the firm’s resources to sustain advantages and meet objectives (Teece et al., 1997). Despite these clearly aligned purposes, the two fields have remained mostly siloed in both theory and practice (Nixon & Burns, 2012). Management accountants too often communicate in a language that managers do not understand (Khemakhem & Fontaine, 2020), and managers too often hold outdated views of management accountants as “glorified bookkeepers” (Brickman et al., 2024, p. 209). This siloing is reflected in research, with minimal interaction between the disciplines (Salvato & Moores, 2010). As a result, there is strikingly little interdisciplinary theory that helps us understand the ways that management accounting and strategic management can inform each other to better achieve a firm’s strategic goals.

In response to the *Advances in Management Accounting* special issue on advancing management accounting beyond just measurement and control, and in the spirit of interdisciplinary research linking management accounting to other functional areas (Dow et al., 2026), this paper proposes a conceptual integration that frames management accounting as a

critical enabler of what management scholars label “dynamic capabilities¹”, which underpins effective strategic management. We build on the emerging Management Accounting Ecosystem (MAE) perspective and the microfoundations perspective of organizational capabilities to theorize a tight link between the processes involved in management accounting and the development of a firm’s dynamic capabilities.

From an MAE perspective, management accounting processes are central to integrating financial and non-financial information from all organizational functions (Akroyd et al., 2023); from a microfoundations perspective, firms’ dynamic capabilities emerge over time from the interactions of individuals, processes, and structures in a firm (Felin et al., 2012; Teece, 2007, 2014). We argue that effective management accounting consists of critical microfoundational processes that enable the sensing, seizing, and transforming capacities that constitute dynamic capabilities. At the same time, because dynamic capabilities are guided by management (Teece, 2007), they provide strategic “guardrails” that direct the information that management accountants need to focus on. Rather than passively measuring various metrics, attending to information related to sensing, seizing, and transforming allows management accountants to operationalize managerial intent through the information they capture and disseminate. By theorizing a link between management accounting and dynamic capabilities, as an exemplar of the compatibility between the disciplines, we take an initial step towards illustrating the ample space available for integrating the two fields and for developing a shared language to facilitate communication between them (ten Rouwelaar et al., 2021).

¹ “Dynamic capabilities” is a major stream of management research. Dynamic capabilities consist of a firm’s capacities for (a) sensing opportunities, (b) seizing opportunities, (c) and transforming itself over time, and are central to sustaining competitive advantage (Teece, 2007, 2014).

We contribute to the push for management accountants to become strategic advisors in two important ways. First, we make specific theoretical arguments that position management accounting as a set of specific, everyday, microfoundational processes that can support the emergence and operation of dynamic capabilities in organizations. We provide theory as to why improved accounting systems lead to better organizational performance and provide a concrete reason for strategic management to value the practice and research of management accounting. This responds not only to the current special issue but also to longstanding calls for scholars to embrace the importance of management accounting for strategic management (Anthony, 1972) and to generate insights on how it can shape strategic management in businesses large and small (Glyptis et al., 2021). Additionally, we identify different lexicons as a major barrier to integrating management accounting into strategic management. By positioning the MAE as a means for translating management accounting into strategic management, we provide insights into how accountants can advance the profession.

Our paper also contributes to dynamic capabilities research within strategic management. First, we position management accounting as an important, but previously overlooked, microfoundation that underpins dynamic capabilities. Our arguments embrace calls for non-cognitive and process-based theory on the origins of dynamic capabilities (Felin et al., 2012; Nayak et al., 2020). We portray management accounting as consisting of “myriad ordinary activities that may shape the evolution of capabilities” in firms (Salvato, 2009, p. 384). In doing so, we introduce a new line of research that strategic management research has, for the most part, overlooked. Second, while strategic management research is often split between research on large, established corporations and small, young entrepreneurial ventures, our theory is agnostic to firms’ age or stage of development, though practical applications are likely to differ. Because

management accounting is a core function of all firms, we advance microfoundational theory that is relevant to strategic management and strategic entrepreneurship research alike.

THEORETICAL BACKGROUND

The *Advances in Management Accounting* special issue is timely, as management accounting and strategic management both stand to benefit from integrating theory and results from the other field. Below, we briefly summarize existing research in each field that explicitly acknowledges the other, emphasizing the minimal crossover between them. Our structured literature search resulted in a total of 19 papers from management accounting and 24 from strategic management.² All papers are shown in Table 1.

Strategic Management in Management Accounting Research

We identified 19 articles from top accounting journals that explicitly refer to strategic management. Twelve articles focus on core management accounting constructs, including control, planning, or decision-making (Casas-Arce et al., 2022; Horngren et al., 2012). Grabner et al. (2018) and Müller-Stewens et al. (2020), for example, examine the relationship between internal controls and innovation. Others link control to organizational learning and capabilities, supply-chain costs, strategy, and sustainability (Bellora-Bienengräber et al., 2023; Beusch et al., 2022; Fayard et al., 2012; Modell, 2012; Wouters & Wilderom, 2008). Lewis et al. (2024) use the attention-based view of the firm to explore how managers can use interactive control systems to manage strategic uncertainties.

² Details of our literature search are available upon request. In Table 1, rather than a comprehensive review, we provide a high-level summary for readers from both disciplines. Our explicit search parameters allow for clarity and replicability, while demonstrating an overall paucity of research.

Table 1. Overlap Between Strategic Management and Management Accounting Research

Strategic Management	Each Discipline's View of the Other	Management Accounting
Duck (1971) <i>Journal of Management Studies</i>	Empirical study determining the prevalence of management accounting techniques to aid management.	—
Hopper & Powell (1985) <i>Journal of Management Studies</i>	Review of management accounting research, with particular attention to its alignment with underlying theories of other disciplines (including management).	—
Toshiro (1988) <i>Harvard Business Review</i>	Argues that Japanese companies have a competitive edge because their management accounting is subservient to/aligned with, corporate strategy.	—
Loeb & Cory (1989) <i>Journal of Business Ethics</i>	Emphasizes role of management accountants in creating and maintaining a culture of ethical accountability.	—
Pavia (1995) <i>Management Science</i>	Empirical study examining a profit maximizing cost allocation scheme for firms.	—
Ezzamel et al. (1997) <i>Journal of Management Studies</i>	Case study of changes in management accounting practices, as management accounting scrambles to keep pace with organizations' competitive needs. Management accounting needs to grow beyond just a control mechanism.	—
Kuhn (1998) <i>Journal of Business Ethics</i>	Notes that few business courses, including management accounting, have integrated ethical notions.	—
Levinthal & Warglien (1999) <i>Organization Science</i>	Argues that "self-organization" processes (which can occur within organizations) are subject to external design influences, including management accounting systems.	—
Rajan & Reichelstein (2004) <i>Management Science</i>	Reviews and extends Harris et. al.'s (1982) paper, examining the effect of incentives under conditions of asymmetric information on resource allocation within firms.	—
Balachandran (2006) <i>Management Science</i>	Examines the effect of compensation plans on patterns of external investment into firms.	—
Masanet-Llodra (2006) <i>Journal of Business Ethics</i>	Argues the importance of accounting information systems for supporting management in implementing environmental management systems.	—
Fullerton et al. (2014) <i>Journal of Operations Management</i>	Examines management accounting's role in enabling lean operations that contribute to firm performance.	—
Shapiro & Naughton (2015) <i>Journal of Business Ethics</i>	Proposes a conceptual framework for how an organization links its mission and espoused values with its operating practices; draws on a management accounting/control framework to understand this linking.	—
Murthy & Rooney (2018) <i>Journal of Business Ethics</i>	In a study of management accounting in Mauryan (312-185 BC) organizations, it explores management accounting as a control mechanism to keep organizations within socially acceptable roles.	—
Chourou (2020) <i>Journal of Business Ethics</i>	Examines if religiosity is associated with the valuation multiples that investors assign to fair-valued assets that are susceptible to managerial bias.	—

* Papers are taken from FT50 journals. Papers in Accounting journals are grouped by search term. Grabner et al. (2018) appears in two searches.

Table 1 [cont]. Overlap Between Strategic Management and Management Accounting Research

Strategic Management	Each Discipline's View of the Other	Management Accounting
Edenich & Trapp (2020) <i>Journal of Business Ethics</i>	Reviews research on management accounting and control and business ethics published in <i>JBE</i> . Summarizes literature to suggest that management accounting systems are critical control mechanisms for impacting businesses' ethical behavior.	—
Glyptis et al. (2021) <i>Journal of Business Research</i>	Proposes a management accounting “dynamic capability” that enables a founding family to sense and seize opportunities, and reconfigure the family firm to adapt.	—
Labro & Stice-Lawrence (2020) <i>Management Science</i>	Examines whether updates to accounting systems leads to economic benefits for firms. They find that only economically driven updates to these systems lead to economic benefits in the form of lower operating expenses and higher revenues.	—
Campbell & Shang (2022) <i>Management Science</i>	Studies the use of textual analysis of employee reviews to estimate the risk of corporate misconduct in business. They draw on the logic of management accounting that certain control features can effect the incidence of misconduct.	—
Ferdiansah et al. (2023) <i>Journal of Business Ethics</i>	Examines the effects of ethics training on managers' misreporting.	—
Guo & Yu (2024) <i>Journal of Management</i>	Review of research on the antecedents of investor valuation in management, accounting, and finance literatures.	—
Paruchuri et al. (2024) <i>Journal of Management</i>	Review of corporate governance research about the role of directors in organizational misconduct.	—
—	Applies stakeholder theory to analyze how companies use disclosure to manage social responsibility expectations.	Roberts (1992) <i>Accounting, Organizations and Society</i>
—	Studies Spanish hospitals to show how management accounting systems mediate the relationship between top management teams and strategic change.	Naranjo-Gil & Hartmann (2007) <i>Accounting, Organizations and Society</i>
—	Explores how performance measurement systems support organizational learning and innovation in a logistics context.	Wouters & Wilderom (2008) <i>Accounting, Organizations and Society</i>
—	Finds that top executives strongly influence voluntary disclosures, supporting the idea that individual effects matter in financial reporting.	Bamber et al. (2010) <i>The Accounting Review</i>
—	Demonstrates that idiosyncratic earnings behavior is linked to intangible investment, connecting financial accounting outcomes to the resource-based view.	Brown and Kimbrough (2011) <i>Review of Accounting Studies</i>
—	Investigates the link between business model choices and persistent differences in firm performance in the airline industry.	Collins et al. (2011) <i>Journal of Management Accounting Research</i>

Table 1 [cont]. Overlap Between Strategic Management and Management Accounting Research

Strategic Management	Each Discipline's View of the Other	Management Accounting
—	Argues that management accounting research has lagged in incorporating developments in strategic management theory, calling for closer alignment.	Nixon & Burns (2012) <i>Management Accounting Research</i>
—	Analyzes how internal cost management and information systems integration affect interorganizational cost control in supply chains.	Fayard et al. (2012) <i>Accounting, Organizations and Society</i>
—	Examines how balanced scorecards are used in public sector organizations to align control systems with strategic goals.	Modell (2012) <i>Management Accounting Research</i>
—	Applies the natural resource-based view to show how control systems can improve environmental innovation and performance.	Journeault (2016) <i>Journal of Management Accounting Research</i>
—	Studies risk auditing frameworks, noting their limited connection to management accounting or strategic orientation.	Wright (2016) <i>Accounting, Organizations and Society</i>
—	Finds that diagnostic and interactive control systems have differing impacts on innovation, with excessive performance monitoring potentially hindering innovation.	Grabner et al. (2018) <i>Journal of Management Accounting Research</i>
—	Investigates how different uses of control systems relate to innovation outcomes, showing that quality accounting information improves coordination.	Müller-Stewens et al. (2020) <i>Accounting, Organizations and Society</i>
—	Conducts a longitudinal study of control systems for sustainability, emphasizing communication and system integration.	Beusch et al. (2022) <i>Management Accounting Research</i>
—	Uses meta-analytic methods to show how different control levers relate to organizational performance and capability development.	Bellora-Bienengraeber et al. (2023) <i>Accounting, Organizations and Society</i>
—	Analyzes how performance targets in incentive plans shape managerial earnings behavior, with implications for strategic reporting.	Martin et al. (2023) <i>The Accounting Review</i>
—	Uses the attention-based view to study how senior managers use interactive controls to manage strategic uncertainty.	Lewis et al. (2024) <i>Management Accounting Research</i>
—	Examines how business analytics capabilities and the controller's role as business partner contribute to digitalization and strategic decision-making.	Boerner et al. (2025) <i>Management Accounting Research</i>

Boerner et al. (2025) explicitly use the resource-based view of the firm to demonstrate management accounting's role in using business analytics. Naranjo-Gil and Hartmann (2007) study Spanish hospitals and find that management accounting systems are an important mediator between top management teams and strategic change. Finally, Nixon and Burns's (2012) review of the two disciplines indicates that management accounting is too slow to adopt changes from strategic management and needs to remain abreast of more recent theories.

Nixon and Burns's (2012) conclusion remains relevant today. In particular, we note that strategic management researchers would be much more likely to find and value management accounting research if it used the current theories and the lexicon of strategic management. The MAE provides a strong foundation for integrating the literatures, and we attempt to provide an example using dynamic capabilities in the remainder of this article (Akroyd et al., 2023).

Management Accounting in Strategic Management Research

Papers published in FT50 management journals have generally painted in broad strokes to highlight the prevalence of management accounting practices (Duck, 1971) and to suggest the need for moving beyond a narrow focus on “control” and aligning it more closely with corporate strategy (Ezzamel et al., 1997; Toshiro, 1988). More contemporary studies have examined the role of management accounting in influencing specific aspects of management like resource allocation decisions, garnering investments, shaping ethical corporate cultures, and generally boosting performance (Balachandran, 2006; Campbell & Shang, 2022; Chourou, 2020; Edenich & Trapp, 2020; Ferdiansah et al., 2023; Guo & Yu, 2024; Kuhn, 1998; Labro & Stice-Lawrence, 2020; Loeb & Cory, 1989; Murthy & Rooney, 2018; Paruchuri et al., 2024; Pavia, 1995; Rajan & Reichelstein, 2004; Shapiro, 2016; Shapiro & Naughton, 2015).

Additionally, a handful of studies (summarized in Table 2) have argued for dynamic capabilities as a theoretical lens to better understand management accounting (Latif et al., 2023; Xu et al., 2024), management accounting as a dynamic capability (Appannan et al., 2022; Aranda-Usón et al., 2024; Glyptis et al., 2021; Holm et al., 2016; Kasim et al., 2020; Mitchell, 2006; Scarpellina et al., 2021; Van et al., 2025), and management accounting as an outcome of dynamic capabilities (Hoai et al., 2023). While these studies are an important sign of some integration between management accounting and strategic management theories, there remains little understanding of the theoretical relationship between the two.

INTEGRATING MANAGEMENT ACCOUNTING AND DYNAMIC CAPABILITIES

Our model appears in Figure 1. We build on Akroyd et al.'s (2023) model of the Management Accounting Ecosystem (MAE) to portray management accounting as a set of processes that enable dynamic capabilities. We argue that management accounting is a social integration mechanism that enables a firm's capacities for sensing and seizing opportunities and transforming and enables tighter integration between these capacities. Management accountants are the interface between information sources and decision-makers. Further, we extend the MAE by incorporating the microfoundations perspective of capabilities to highlight the compatibility between these perspectives. Microfoundations include the individuals, processes, and structures within a firm that interact and aggregate over time to form firm-level capabilities (Felin et al., 2012; Fultz et al., 2025; Teece, 2007). The MAE emphasizes the role of the management accounting function and management accountants in coordinating cross-functional knowledge and making it available through a shared language across the firm, thereby enabling productive interactions inside the firm (Akroyd et al., 2023). Below, we argue that the underlying elements of the MAE support sensing, seizing, and transforming, and their integration.

Table 2 . Overlap Between Management Accounting and Dynamic Capabilities

Themes	Summary
DC as Theoretical Lens for MA	
Latif et al. (2023) <i>Asian Review of Accounting</i>	Portrays management accounting as a type of dynamic capability that enables economic sustainability in small- and medium-size enterprises.
Xu et al. (2024) <i>Business Strategy and the Environment</i>	Drawing on dynamic capability theory, the results show that environmental management accounting has a positive effect on both cross-functional cooperation and co-creation.
MA as a DC	
Holm et al. (2016) <i>Advances in Accounting, incorporating Advances in International Accounting</i>	Customer Accounting Systems result in higher “competitive advantage”. They argue that customer asset management (which is enabled by customer accounting systems) is a dynamic capability.
Kasim et al. (2020) <i>Asian Journal of Accounting and Governance</i>	Strategic performance measurement systems foster absorptive capacity which fosters organizational agility.
Scarpellina et al. (2020) <i>Journal of Business Ethics</i>	Views reporting and accountability as part of a set of environmental practices that constitute environmental (dynamic) capabilities.
Glyptis et al. (2021) <i>Journal of Business Research</i>	Management accounting is a dynamic capability (consisting of family-infused sensing, seizing, and transforming).
Wanderley et al. (2021) <i>Accounting Forum</i>	Views reporting and accountability as part of a set of environmental practices that constitute environmental (dynamic) capabilities.
Appannan et al. (2022) <i>Business Strategy and the Environment</i>	Environmental management accounting mediates the relationship between pollution prevention strategy and environmental performance.
Latif et al. (2023) <i>Asian Review of Accounting</i>	Views management accounting as a type of dynamic capability that enables economic sustainability in small- and medium-size enterprises.
Aranda-Usón et al. (2024) <i>Resources, Conservation & Recycling</i>	Examines “dynamic capabilities for environmental accounting” and how they enable a circular economy in a firm.
Hung et al. (2024) <i>SAGE Open</i>	Digitalized MAS use (a dynamic capability) moderates the relationship between org. mindfulness and org. resilience which leads to org. performance.
Van et al. (2025) <i>Business Strategy and the Environment</i>	Sustainability reporting (SURE) is a dynamic capability that mediates between green absorptive capacity and green innovation and sustainable competitive advantage. Additionally, environmental MA moderates the green innovation/sustainability reporting relationship.
MA as Outcome of DC	
Hoai et al. (2023) <i>Corporate Social Responsibility and Environmental Management</i>	Environmental management accounting mediates the relationship between green dynamic capabilities and environmental performance.

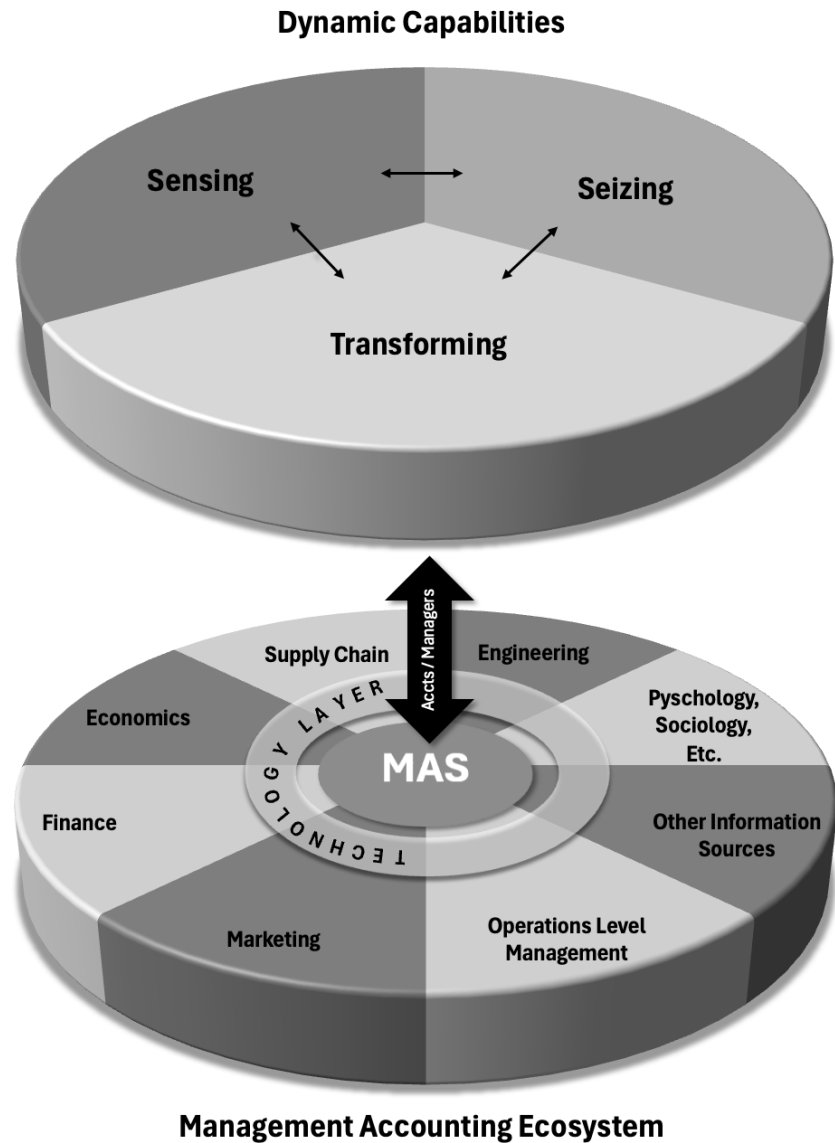


Figure 1. Integrative model (adapted from Akroyd et al., 2023, Figure 4) of management accounting as a microfoundation that enables dynamic capabilities.

Management Accounting and Sensing

Strategic management studies often misrepresent accounting as only backward- and inward-looking, failing to recognize anything beyond basic financial accounting (Casas-Arce et al., 2022). In sharp contrast, management accounting scholarship – and the emerging MAE perspective in particular – highlights the central role played by management accountants in supporting forward- and outward-looking managerial processes, including assimilating

information from firms' operating environments (Akroyd et al., 2023). While verifiability and historical cost are central to financial accounting, management accountants are directly concerned with current and future decision-making (Labro, 2015). The MAE view of management accounting strongly resonates with what strategy scholars have labeled *sensing*, i.e., a firm's capacity for "gaining a comprehensive understanding of the business environment and emerging opportunities and threats" (Schilke et al., 2018, p. 401).

A firm's capacity to sense opportunities is built on its outward-facing scanning processes for finding and selecting new external technologies, innovations, and opportunities (Teece, 2007). Sensing also emphasizes a firm's inward-facing processes for absorbing new external information into its stock of internal knowledge (Zahra & George, 2002). A firm must assimilate outside information through processes that "allow it to analyze, process, interpret, and understand the [externally acquired] information" (Zahra & George, 2002, p. 189). These definitions from strategy scholars frame sensing as an information problem, which management accountants are uniquely qualified to solve. New information must be synthesized with a firm's current stock of knowledge. If existing knowledge is organized, articulated, stored, and accessible, it is more likely that a firm can effectively put newly acquired information to use.

Such functions are central to management accounting processes, which involve "identifying, measuring, analyzing, interpreting, and communicating information" – including financial *and* non-financial information – across all operations (Horngren et al., 2012). Management accountants generate and articulate knowledge by synthesizing and transforming disparate data and information into "knowledge that is useful for decision-making" (Akroyd et al., 2023, p. 2). This enables information to be shared efficiently through information systems, making critical knowledge available to decision-makers across a firm and often with strategic

partners, customers, and suppliers (Sambamurthy & Subramani, 2005). Management accountants have multiple tools – like rolling forecasts and dynamic informational dashboards – for translating external data into relevant, quantifiable trends that inform strategic decision-makers. In sum, effective management accountants store knowledge and standardize information gathering processes that can enable a capacity for sensing new external opportunities. Management accountants can adjust processes and internal reporting in order to facilitate these functions as they gain management’s trust and understand the logic underpinning organizational goals.

Management Accounting and Seizing

A capacity for *seizing* involves “making strategic choices among investment opportunities and business models” (Schilke et al., 2018). Once firms have sensed productive opportunities, they must mobilize their people, processes, and existing resources to exploit these opportunities. This involves trade-off decisions about which directions to pursue, including which are most likely to satisfy target customer demands, and then committing limited resources to the project (Teece, 2007). These decisions must be made promptly under a high degree of uncertainty (Chong, 1996; Gordon & Narayanan, 1984).

Seizing opportunities includes investing financial and non-financial resources into creating new products, adopting new designs, and implementing new technologies (Teece, 2007). Analyzing and categorizing costs so a firm can accurately project revenues, costs, and profits under different scenarios is a core tenet of management accounting. Through tools such as cost-volume-profit analysis and activity-based budgeting, management accountants have a detailed understanding of a firm’s resources and the costs of implementing those resources. Involving management accountants and their associated knowledge and skills in the seizing process should

reduce uncertainty, allowing for better and faster decisions (Ghosh & Crain, 1993; Pires et al., 2023).

Second, seizing depends on establishing organizational boundaries – for example, “make” versus “buy” decisions about what tasks a firm should handle internally and what tasks should be outsourced to external partners (Horngren et al., 2012; Teece, 2007). Effective management accounting identifies relevant costs in such a scenario, as well as integrates potential strategic advantages gained by internalizing processes. This function helps prevent wasting time and resources to pursue opportunities, and speeds the process of arranging needed partnerships.

Third, for tasks handled internally, firm resources, processes, and personnel must be effectively coordinated (Teece, 2007). Managerial controls are central to how management accounting enables organizational capabilities. Boards and audit committees, for example, must work with the internal audit function to construct management control systems that align organizational structures, incentive systems, firm culture, information systems, concrete rules, and procedures aimed at achieving the firm’s strategic objectives (Herath, 2007). Overall, quality management accounting is likely to provide a strong foundation for both the decision-making and coordination required to seize opportunities (Chang et al., 2014).

Management Accounting and Transforming

Transforming is a firm’s capacity for “reconfiguring the organization’s resources, structures, and capabilities” as part of a continuous process of aligning with a changing environment (Schilke et al., 2018, p. 401). Effective management accounting may support this in several ways. First, reconfiguring physical assets to achieve goals is a primary objective of organizing a firm’s cost structure and strategic cost management (Anderson, 2006; Banker et al.,

2014; Chang et al., 2021). The capacity to transform also depends on a firm's knowledge management, meaning it can "integrate and combine assets including knowledge" (Teece, 2007, p. 1339). As a firm transforms itself by reconfiguring its resources, structures, and lower-level capabilities, the management accounting system serves as a repository for knowledge management, cataloging resources, and decision-making on how to activate those resources (Akroyd et al., 2023).

Second, transforming relies on decentralization (allowing those closest to a problem to handle decision-making), yet decentralization increases the challenges of integrating efforts from various managers and functions into cohesive strategic actions (Teece, 2007). An effective management accounting system transforms financial and non-financial information into sharable knowledge (Dow et al., 2021), and can reduce information silos and promote cross-functional knowledge sharing (Akroyd et al., 2023; Laplante et al., 2021).

Third and finally, transforming an organization requires careful governance, including aligning individuals' incentives and reducing agency issues (Teece, 2007). Management accounting's pillar of organizational control helps ensure that individuals, resources, and organizational skills are "used effectively and efficiently in the accomplishment of the organization's objectives" (Anthony, 1965, p. 17). For example, management accountants are responsible for performance expectations and evaluations, which are key elements used to motivate and align individuals' performance (Bonner et al., 2000). A rich literature in management accounting builds on both psychological and economic constructs to achieve alignment between individual and group incentives (Bromwich & Scapens, 2016; Manthei et al., 2023; Mittendorf, 2015). When managers reconfigure organizational assets they rely on performance contracts with internal and external parties to create incentive systems. These

accounting mechanisms are necessary to change the workforce and ensure that behaviors align with broader strategy changes.

How Management Accounting Connects Sensing, Seizing, and Transforming

We have argued that management accounting supports each capacity individually. Yet Teece's (2007) early formulation of dynamic capabilities suggested feedback loops – for example, sensing precedes seizing but is also likely to inform transforming, and seizing and transforming are likely in turn to influence future sensing. While early dynamic capabilities research strongly emphasized cross-functional integration – using terms such as “coordination” (Teece et al., 1997), “orchestration” (Teece, 2007, 2014), “integrative capabilities” (Mitchell, 2006), and “social integration mechanisms” (Zahra & George, 2002) – subsequent theory provides little insight into such recursive influence between sensing, seizing, and transforming. It is here that the MAE provides needed insights. We suggest the MAE's core insight is that management accounting constitutes an information nexus that links all functional areas of a firm. Taking our prior arguments as a whole, we argue that management accounting acts as a *social integration mechanism* capable of linking the sensing, seizing, and transforming capacities that constitute dynamic capabilities.

In Figure 1, each arrow connecting sensing, seizing, and transforming indicates knowledge transfer, but also potential vulnerabilities if knowledge does not flow. Between sensing a new opportunity and acting to seize it, there is a common failure point among organizations – for various reasons, discovered opportunities may never be pursued or exploited, particularly if firms lack strong information capabilities (Schlichte & Junge, 2024). Similarly, even if firms successfully seize an opportunity by investing their resources and developing a business model that creates value, this does not necessarily translate into adaptive transformation

unless the new product or service aligns with the demands of the changing environment. Further, each arrow connecting sensing, seizing, and transforming also indicates potential bidirectional knowledge transfer. As firms attempt to seize opportunities by investing in new technologies and developing new business models, firm members are likely to learn more about what is and is not feasible, which can inform future opportunity sensing. Similarly, as internal resources, processes, and capabilities are reconfigured into new combinations as part of a firm's efforts to transform itself, it can develop new capabilities that may reveal new potential opportunities to pursue.

These individual capacities only constitute dynamic capabilities if they work as a cohesive whole (Wilden et al., 2013), which in turn requires successful (bi-directional) knowledge flow across the firm. This is far from guaranteed because “organizations often do not know what they know” (Alavi & Leidner, 2001, p. 119). Management accountants are well-positioned between accounting and strategic functions to facilitate this knowledge flow. Because they are connected to each functional area and upper management, they can “promote a culture based around commonality of knowledge” (Birkett, 1995, p. 44). Following Alavi and Leidner's (2001) outline, management accountants can promote integration through knowledge management. This starts with *creating knowledge*: management accountants gather cross-functional information and attempt to translate this into a shared language. Management accountants serve as key drivers of organizational memory by *storing knowledge* where it can be easily retrieved – whether as written documents, spreadsheets, databases, information systems, expert systems, or codified procedures and processes. Beyond simplifying storage and retrieval, management accountants can actively motivate *knowledge transfer* by working with internal audit to design controls that test whether individuals are following established procedures

(Ditillo, 2012) – for example, by ensuring that individuals log new ideas and ensuring that others take the time to read them.

To achieve this integration effectively, controllers must act as translators who convert abstract strategic options into concrete organizational artifacts, such as budgets, key performance indicators, and investment thresholds. By codifying strategic choices into these specific measurement tools, management accountants operationalize the firm’s commitment to a chosen path. Crucially, this process creates a bidirectional loop: these artifacts do not merely dictate resource allocation, they also generate immediate performance data that validates or challenges the firm’s initial strategic assumptions. Consequently, managerial choices are continuously reshaped by the feedback originating from these accounting mechanisms, ensuring that the firm’s sensing, seizing, and transforming activities remain responsive to the environment.

Our model highlights a central challenge facing management accounting in theory and practice: the necessity for overcoming cross-functional language barriers. While our arguments, and the MAE more generally, portray management accountants as centrally positioned to integrate cross-functional knowledge and communicate it to managerial decision-makers, it is contingent on their ability to communicate and develop a common understanding across the firm. Management accountants’ efforts at gathering, storing, and disseminating knowledge are moot unless they are deeply familiar with the language of each function and can communicate in a shared language that each function understands. This requires more than simply educating the firm to understand “accounting talk” – while management accountants are skilled at distilling information into a common financial language, this can preclude other useful lenses (including non-financial lenses) from being employed to interpret the knowledge (Hall, 2010). Similarly, management accountants may store and disseminate knowledge “silently,” assuming their reports

will “speak for themselves” rather than engaging in dialogue to ensure that the knowledge is interpreted as they intend (Drujon d’Astros et al., 2024, p. 1450).

DISCUSSION

By portraying management accounting as a microfoundational process underlying firms’ capacities for sensing, seizing, and transforming, we have aimed to stimulate research at the intersection of two robust research traditions – management accounting and strategic management. We now discuss what each discipline may gain from closer integration and suggest new research directions that bring the two together.

What Management Accounting Stands to Gain

While accountants intuitively understand that quality information leads to improved firm outcomes, research often demonstrates a simplistic link between information quality and financial performance (Biddle & Hilary, 2006; Ittner et al., 2002; Ittner et al., 2003). Theories from strategic management explain why certain firms outperform others (Barney & Felin, 2013; Schilke et al., 2018). We identify two key areas where accounting research can benefit by integrating these theories. First, management theories can complement existing work in accounting that links accounting quality to firm outcomes by describing how higher internal information quality affects long-term outcomes (Gallemore & Labro, 2015; Ittner & Michels, 2017; Verrecchia, 1990). We map management accounting onto the capacities for sensing, seizing, and transforming with the goal of demonstrating how this can be done with other theories, laying the groundwork for more integration of management theories into management accounting research.

Second, as accounting scholars build on existing management theories, their work is more likely to be recognized by management scholars, allowing for management accounting

work to influence the field of management and position management accountants as strategic advisors. The MAE provides a broad view of the connection between management accounting systems and the various functional areas of a business, as well as the environment in which it operates (Akroyd et al., 2023). We propose that the MAE can be a translation tool for using vocabulary that management scholars will understand, allowing management accountants to be the first to cross the bridge between the two disciplines.

Additionally, practicing management accountants stand to enhance their role as strategic advisors through better communication with management. As managers set goals, they determine what information is valuable and must be captured by management accountants; by focusing their efforts on information that aligns with strategic goals, management accountants position themselves to operationalize managerial intent. Pulling management theories into management accounting training will allow practitioners to communicate with management in terms they can understand and demonstrate their value to the organization's goals. While management training also includes an introduction to management accounting, it is incumbent on management accountants to make a seat for themselves at the table by translating their skills into actionable intelligence and sharing it in the appropriate language for the intended audience.

What Strategic Management Stands to Gain

Dynamic capabilities research began with the lofty goal of explaining sustainable competitive advantage (Teece et al., 1997). Research spanning three decades has uncovered the nature, antecedents, evolution, and outcomes of dynamic capabilities in both established firms and entrepreneurial ventures (Schilke et al., 2018). Nevertheless, scholars continue to call for explanations rooted in microfoundational individual actions, processes, and organizational structures that interact and aggregate into the firm-level capabilities at the center of most

dynamic capability research (Felin et al., 2012). Nayak et al. (2020) raise the provocative argument that scholars need to look closely at rudimentary (i.e., day-to-day), non-cognitive phenomena to explain dynamic capabilities. In line with this, we proposed and argued that management accounting represents such processes – it is enacted daily and in this way is tactical in nature, yet it is increasingly recognized as strategic in implication and as central to firms’ efforts at integrating their knowledge, actions, and other resources.

Prior explanations of dynamic capabilities have drawn heavily on cognition-based arguments. For example, early conceptual work argued that underpinning firm-level dynamic capabilities were prior individual-level “dynamic managerial capabilities” built on managers’ human capital, social capital, and cognition (Adner & Helfat, 2003). Building on these arguments, Helfat and Peteraf (2015) later argued that such managerial cognition included perception, attention, problem-solving, language skills, and social cognition. While such arguments have substantially advanced dynamic capabilities research, understanding remains limited of non-cognitive, behavioral, and process-based origins that relate more to what firms do than to what individuals think or perceive (Nayak et al., 2020). Management accounting, equipped with a long history of both theoretical and practice-based understanding of accounting practices, is well-positioned to contribute concrete, detailed information about everyday management accounting practices.

Building on this point, a focus on management accounting as a microfoundational antecedent of sensing, seizing, and transforming may help to both illuminate the types of processes underpinning dynamic capabilities as well as help reduce the walls between research in established firms and research in entrepreneurial ventures. Management accounting practices range widely from relatively formal to informal processes. Take, for example, a small civil

engineering firm. Such a business may effectively handle much planning, control, and decision-making without the aid of complex enterprise-wide information systems and rely instead on a series of shared spreadsheets and documents that house much of the tacit knowledge garnered by an entrepreneur over years of experience.² Whether in large firms or small, businesses rely on technologies that look very different but which share in common the role of assisting planning, control, and decision-making.

Taking into consideration the variable nature of management accounting and associated information systems holds important implications for strategic management and accounting research alike. It emphasizes that both dynamic capabilities and management accounting may rely on rudimentary, everyday processes and technologies that are poorly reflected in most studies that focus on large, established corporations. This not only limits our understanding of both phenomena but further limits our understanding of these critical processes in the vast majority of businesses worldwide that are smaller, less established, resource-constrained, and often very young. Matricano (2025) argues that critical research going forward will examine and develop theories of dynamic capabilities (and, we would argue, management accounting) in the context of small, new ventures. By introducing management accounting as a central process that may foster sensing, seizing, and transforming, we have taken one step toward integrating dynamic capability research among firms of all sizes.

Contributions to Practice

While the integration of dynamic capabilities and management accounting has many applications for academic advancement, the ultimate goal is practical application. The framework in this paper, along with the MAE more generally, offers a practical argument for CFOs and

² We thank William Fultz, PE, for this illustration.

controllers to elevate finance and accounting functions from reporting to strategic initiatives. We propose three ways to implement sensing, seizing, and transforming in practice.

First, finance professionals already make use of dashboards to track many KPIs. “Sensing Dashboards” could be made more prospective by incorporating external, forward-looking indicators to identify pricing shifts, supply chain opportunities, and other trends in the broader marketplace. Standardized reporting on the external environment would allow management accountants to provide early indicators to assist the sensing function by scanning the horizon.

Second, management accountants can support “seizing” by examining costs related to potential opportunities. Rather than a simple hurdle rate, option costing would allow investment opportunities under high levels of uncertainty. This allows resources to be allocated based on strategic initiatives, as opposed to traditional ROI indicators.

Finally, transforming an organization is particularly linked to incentives given to various departments. Key performance indicators can focus on changes that are needed that can lead to profitability down the road, rather than current profitability. A “transformation scorecard” could track leading indicators that management identifies such as adoption of new technologies, cross-functional training, post-acquisition integration, etc. Management accountants can contribute to transforming by measuring the process of change, rather than waiting for an outcome.

CONCLUSION

We offer a theoretical integration of management accounting and dynamic capabilities, proposing that management accounting is a critical enabler of dynamic capabilities. This provides a direction for considering management accounting alongside other management theories in the context of the Management Accounting Ecosystem. Specifically, we argue that management accounting can enable the capacities for sensing, seizing, and transforming that

constitute dynamic capabilities. These capacities, which include multiple functional areas within firms, are strategic assets that help firms adapt and maintain competitive advantage. Integrating management accounting with dynamic capabilities offers a clear path for both academics and practitioners to improve integration between management accounting and strategic management.

REFERENCES

- Adner, R., & Helfat, C. E. (2003). Corporate effects and dynamic managerial capabilities. *Strategic Management Journal*, 24(10), 1011-1025.
- Akroyd, C., Dow, K. E., Drake, A., & Wong, J. (2023). The new management accounting ecosystem: a retrospective view and path to the future. In *Advances in Management Accounting* (pp. 1-18). Emerald Publishing Limited.
- Alavi, M., & Leidner, D. E. (2001). Knowledge management and knowledge management systems: Conceptual foundations and research issues. *MIS Quarterly*, 107-136.
- Anderson, S. W. (2006). Managing costs and cost structure throughout the value chain: research on strategic cost management. *Handbooks of Management Accounting Research*, 2, 481-506.
- Anthony, R. N. (1965). Planning and control systems: a framework for analysis.
- Anthony, R. N. (1972). Management accounting for the future. *Sloan Management Review (pre-1986)*, 13(3), 17.
- Appannan, J. S., Mohd Said, R., Ong, T. S., & Senik, R. (2023). Promoting sustainable development through strategies, environmental management accounting and environmental performance. *Business Strategy and the Environment*, 32(4), 1914-1930.
- Aranda-Usón, A., Scarpellini, S., & Moneva, J. M. (2024). Dynamic capabilities for a "circular accounting" and material flows in a circular economy. *Resources, Conservation and Recycling*, 209, 107756.
- Balachandran, S. V. (2006). How does residual income affect investment? The role of prior performance measures. *Management Science*, 52(3), 383-394.
- Bamber, L. S., Jiang, J., & Wang, I. Y. (2010). What's my style? The influence of top managers on voluntary corporate financial disclosure. *The Accounting Review*, 85(4), 1131-1162.
- Banker, R. D., Byzalov, D., & Plehn-Dujowich, J. M. (2014). Demand uncertainty and cost behavior. *The Accounting Review*, 89(3), 839-865.
- Barney, J., & Felin, T. (2013). What are microfoundations? *Academy of Management perspectives*, 27(2), 138-155.
- Bellora-Bienengraber, L., Derfuss, K., & Endrikat, J. (2023). Taking stock of research on the levers of control with meta-analytic methods: Stylized facts and boundary conditions. *Accounting, organizations and society*, 106, 101414.
- Beusch, P., Frisk, J. E., Rosén, M., & Dilla, W. (2022). Management control for sustainability: Towards integrated systems. *Management Accounting Research*, 54. <https://doi.org/10.1016/j.mar.2021.100777>
- Biddle, G. C., & Hilary, G. (2006). Accounting quality and firm-level capital investment. *The Accounting Review*, 81(5), 963-982.
- Birkett, W. P. (1995). Management accounting and knowledge management. *Strategic Finance*, 77(5), 44.
- Boerner, X., Wiener, M., & Guenther, T. W. (2025). Controllershship effectiveness and digitalization: Shedding light on the importance of business analytics capabilities and the business partner role. *Management Accounting Research*, 66, 100904.
- Bonner, S. E., Hastie, R., Sprinkle, G. B., & Young, S. M. (2000). A review of the effects of financial incentives on performance in laboratory tasks: Implications for management accounting. *Journal of Management Accounting Research*, 12(1), 19-64.

- Brickman, K., Hiebl, M. R., Quinn, M., & Warren, L. (2024). Accountants as SME advisors: relevance lost? *Journal of Accounting & Organizational Change*, 20(6), 200-222.
- Bromwich, M., & Scapens, R. W. (2016). Management accounting research: 25 years on. *Management Accounting Research*, 31, 1-9.
- Brown, N. C., & Kimbrough, M. D. (2011). Intangible investment and the importance of firm-specific factors in the determination of earnings. *Review of Accounting Studies*, 16(3), 539-573.
- Campbell, D. W., & Shang, R. (2022). Tone at the bottom: Measuring corporate misconduct risk from the text of employee reviews. *Management Science*, 68(9), 7034-7053.
- Casas-Arce, P., Cheng, M. M., Grabner, I., & Modell, S. (2022). Managerial accounting for decision-making and planning. *Journal of Management Accounting Research*, 34(1), 1-7.
- Chang, H., Hall, C. M., & Paz, M. T. (2021). Suppliers' product market competition, customer concentration, and cost structure. *Journal of Management Accounting Research*, 33(3), 9-27.
- Chang, H., Ittner, C. D., & Paz, M. T. (2014). The multiple roles of the finance organization: Determinants, effectiveness, and the moderating influence of information system integration. *Journal of Management Accounting Research*, 26(2), 1-32.
- Chong, V. K. (1996). Management accounting systems, task uncertainty and managerial performance: a research note. *Accounting, organizations and society*, 21(5), 415-421.
- Chourou, L. (2020). Does religiosity matter to value relevance? Evidence from US banking firms. *Journal of Business Ethics*, 162(3), 675-697.
- Collins, D. L., Román, F. J., & Chan, H. C. (2011). An empirical investigation of the relationship between profitability persistence and firms' choice of business model: Evidence from the US airline industry. *Journal of Management Accounting Research*, 23(1), 37-70.
- Cooper, R., & Kaplan, R. S. (1998). The promise-and peril-of integrated cost systems. *Harvard Business Review*, 76(4), 109-120.
- Ditillo, A. (2012). Designing management control systems to foster knowledge transfer in knowledge-intensive firms: A network-based approach. *European Accounting Review*, 21(3), 425-450.
- Dow, K. E., Jacknis, N., & Watson, M. W. (2021). A framework and resources to create a data analytics-infused accounting curriculum. *Issues in Accounting Education*, 36(4), 183-205.
- Dow, K. E., Jacknis, N., & Watson, M. W. (2026). The "X" and management accounting framework. *Advances in Management Accounting*, forthcoming.
- Drujon d'Astros, C., Morales, J., & Leca, B. (2024). Accounting and silence: The unspeakable, the unsaid, and the inaudible. *Contemporary Accounting Research*, 41(3), 1449-1476.
- Duck, R. E. V. (1971). The use of management accounting techniques in industry. *Journal of Management Studies*, 8(3).
- Endenich, C., & Trapp, R. (2020). Ethical implications of management accounting and control: A systematic review of the contributions from the Journal of Business Ethics. *Journal of Business Ethics*, 163(2), 309-328.
- Ezzamel, M., Lilley, S., & Willmott, H. (1997). Accounting for management and managing accounting: reflections on recent changes in the UK. *Journal of Management Studies*, 34(3), 439-463.
- Fayard, D., Lee, L. S., Leitch, R. A., & Kettinger, W. J. (2012). Effect of internal cost management, information systems integration, and absorptive capacity on inter-

- organizational cost management in supply chains. *Accounting, organizations and society*, 37(3), 168-187. <https://doi.org/10.1016/j.aos.2012.02.001>
- Felin, T., Foss, N. J., Heimeriks, K. H., & Madsen, T. L. (2012). Microfoundations of routines and capabilities: Individuals, processes, and structure. *Journal of Management Studies*, 49(8), 1351-1374.
- Ferdiansah, M. I., Chong, V. K., Wang, I. Z., & Woodliff, D. R. (2023). The effect of ethical commitment reminder and reciprocity in the workplace on misreporting. *Journal of Business Ethics*, 186(2), 325-345.
- Fullerton, R. R., Kennedy, F. A., & Widener, S. K. (2014). Lean manufacturing and firm performance: The incremental contribution of lean management accounting practices. *Journal of Operations Management*, 32(7-8), 414-428.
- Fultz, A. E., Hoffman, J. J., & Jiang, D. S. (2025). Lost in the fog: How entrepreneurs' poor mental health breeds organizational inability in founder-run ventures. *Journal of Business Venturing Insights*, 23, e00522.
- Gallemore, J., & Labro, E. (2015). The importance of the internal information environment for tax avoidance. *Journal of accounting and Economics*, 60(1), 149-167.
- Ghosh, D., & Crain, T. L. (1993). Structure of uncertainty and decision making: an experimental investigation. *Decision Sciences*, 24(4), 789-807.
- Glyptis, L., Hadjielias, E., Christofi, M., Kvasova, O., & Vrontis, D. (2021). Dynamic familiness capabilities and family business growth: A longitudinal perspective framed within management accounting. *Journal of Business Research*, 127, 346-363.
- Gordon, L. A., & Narayanan, V. K. (1984). Management accounting systems, perceived environmental uncertainty and organization structure: an empirical investigation. *Accounting, organizations and society*, 9(1), 33-47.
- Grabner, I., Posch, A., & Wabnegg, M. (2018). Materializing Innovation Capability: A Management Control Perspective. *Journal of Management Accounting Research*, 30(2), 163-185. <https://doi.org/10.2308/jmar-52062>
- Guo, W., & Yu, T. (2024). What do investors value? A multidisciplinary review. *Journal of Management*, 50(1), 216-263.
- Hall, M. (2010). Accounting information and managerial work. *Accounting, Organizations and Society*, 35(3), 301-315.
- Helfat, C. E., & Peteraf, M. A. (2015). Managerial cognitive capabilities and the microfoundations of dynamic capabilities. *Strategic Management Journal*, 36(6), 831-850.
- Herath, S. K. (2007). A framework for management control research. *Journal of management development*, 26(9), 895-915.
- Hoai, T. T., Minh, N. N., Van, H. V., & Nguyen, N. P. (2023). Accounting going green: The move toward environmental sustainability in Vietnamese manufacturing firms. *Corporate Social Responsibility and Environmental Management*, 30(4), 1928-1941.
- Holm, M., Kumar, V., & Plenborg, T. (2016). An investigation of customer accounting systems as a source of sustainable competitive advantage. *Advances in Accounting*, 32, 18-30.
- Hopper, T., & Powell, A. (1985). Making sense of research into the organizational and social aspects of management accounting: A review of its underlying assumptions. *Journal of Management Studies*, 22(5).
- Horngren, C., Harrison, W., Oliver, S., Best, P., Fraser, D., Tan, R., & Willett, R. (2012). *Accounting*. Pearson Higher Education AU.

- Hung, B. Q., Hoa, T. A., Hoai, T. T., & Nguyen, N. P. (2024). Resilience and Performance Among Vietnamese Business Organizations in Turbulent Environments: How Do Digitalized Management Accounting Systems and Organizational Mindfulness Matter?. *SAGE Open*, 14(3), 21582440241271225.
- IMA. (2023). *IMA Management Accounting Competency Framework*. Retrieved from: <https://mc-69e30ef4-758e-4371-ac6f-2657-cdn-endpoint.azureedge.net/-/media/IMA/Files/Home/Career-Resources/Management-Accounting-Competencies/IMA-Framework-11-28-23.ashx?rev=7eebd63ad50e47bc8d6d9c0d7b9185f1>
- Ittner, C. D., Lanen, W. N., & Larcker, D. F. (2002). The association between activity-based costing and manufacturing performance. *Journal of accounting research*, 40(3), 711-726.
- Ittner, C. D., Larcker, D. F., & Randall, T. (2003). Performance implications of strategic performance measurement in financial services firms. *Accounting, organizations and society*, 28(7-8), 715-741.
- Ittner, C. D., & Michels, J. (2017). Risk-based forecasting and planning and management earnings forecasts. *Review of Accounting Studies*, 22(3), 1005-1047.
- Journeault, M. (2016). The influence of the eco-control package on environmental and economic performance: A natural resource-based approach. *Journal of Management Accounting Research*, 28(2), 149-178.
- Kasim, K. N., Auzair, S. M., Amir, A. M., & Abdullah, N. L. (2020). Hubungan antara Sistem Pengukuran Prestasi Strategik, Kapasiti Penyerapan dan Ketangkasan Organisasi Berdasarkan Perspektif Keupayaan Dinamik. *Asian J. Account. Gov*, 14.
- Khemakhem, H., & Fontaine, R. (2020). A Practitioner's Perspective on Management Accounting Graduates' Competencies: A Canadian Field Study. *The Accounting Educators' Journal*, 30.
- Kuhn, J. W. (1998). Emotion as well as reason: Getting students beyond" interpersonal accountability". *Journal of Business Ethics*, 17(3), 295-308.
- Labro, E. (2015). Hobby horses ridden. *Journal of Management Accounting Research*, 27(1), 133-138.
- Labro, E., & Stice-Lawrence, L. (2020). Updating accounting systems: Longitudinal evidence from the healthcare sector. *Management Science*, 66(12), 6042-6061.
- Laplante, S. K., Lynch, D. P., & Vernon, M. E. (2021). Internal information quality and state tax planning. *Contemporary Accounting Research*, 38(4), 2589-2621.
- Latif, S., Izani Mohd Salleh, S., Abd. Ghani, M., & Ahmad, B. (2023). Management accounting systems and economic sustainability: a qualitative inquiry of SMEs in Pakistan. *Asian Review of Accounting*, 31(3), 367-386.
- Levinthal, D. A., & Warglien, M. (1999). Landscape design: Designing for local action in complex worlds. *Organization Science*, 10(3), 342-357.
- Lewis, R. L., Sutton, N., & Brown, D. A. (2024). How senior managers use interactive control to manage strategic uncertainties: An attention-based view. *Management Accounting Research*, 62, 100864.
- Loeb, S. E., & Cory, S. N. (1989). Whistleblowing and management accounting: An approach. *Journal of Business Ethics*, 8(12), 903-916.
- Manthei, K., Sliwka, D., & Vogelsang, T. (2023). Information, incentives, and attention: A field experiment on the interaction of management controls. *The Accounting Review*, 98(5), 455-479.

- Martin, X., Seo, H., Yang, J., Kim, D. S., & Martel, J. (2023). Earnings performance targets in annual incentive plans and management earnings guidance. *The Accounting Review*, 98(4), 289-319.
- Masanet-Llodra, M. J. (2006). Environmental Management Accounting: A Case Study Research on Innovative Strategy. *Journal of Business Ethics*, 68(4), 393-408.
- Matricano, D. (2025). Dynamic capabilities in entrepreneurship—DyCE: A new domain for theoretical and empirical research. *Journal of Small Business Management*, 1-17.
- Mitchell, V. L. (2006). Knowledge integration and information technology project performance. *Mis Quarterly*, 919-939.
- Mittendorf, B. (2015). INTRODUCTION: Management Accounting Research: Knowledge Base, Themes, and Future Directions. *Journal of Management Accounting Research*, 27(1), 121-122.
- Modell, S. (2012). Strategy, political regulation and management control in the public sector: Institutional and critical perspectives. *Management Accounting Research*, 23(4), 278-295. <https://doi.org/10.1016/j.mar.2012.05.001>
- Müller-Stewens, B., Widener, S. K., Möller, K., & Steinmann, J.-C. (2020). The role of diagnostic and interactive control uses in innovation. *Accounting, organizations and society*, 80. <https://doi.org/10.1016/j.aos.2019.101078>
- Murthy, V., & Rooney, J. (2018). The role of management accounting in ancient India: Evidence from the Arthashastra. *Journal of Business Ethics*, 152(2), 323-341.
- Naranjo-Gil, D., & Hartmann, F. (2007). Management accounting systems, top management team heterogeneity and strategic change. *Accounting, organizations and society*, 32(7-8), 735-756.
- Nayak, A., Chia, R., & Canales, J. I. (2020). Noncognitive microfoundations: Understanding dynamic capabilities as idiosyncratically refined sensitivities and predispositions. *Academy of management review*, 45(2), 280-303.
- Nixon, B., & Burns, J. (2012). The paradox of strategic management accounting. *Management Accounting Research*, 23(4), 229-244.
- Paruchuri, S., Hoempler, E. A., Cowen, A. P., Cannella Jr, A. A., & Nahm, P. I. (2024). Governance failure and governance under failure: Reviewing the role of directors in organizational misconduct. *Journal of Management*, 50(6), 2237-2265.
- Pavia, T. M. (1995). Profit maximizing cost allocation for firms using cost-based pricing. *Management Science*, 41(6), 1060-1072.
- Pires, R., Alves, M.-C. G., & Fernandes, C. (2023). The usefulness of accounting information and management accounting practices under environmental uncertainty. *Journal of Risk and Financial Management*, 16(2), 102.
- Rajan, M. V., & Reichelstein, S. (2004). A perspective on "asymmetric information, incentives and intrafirm resource allocation". *Management Science*, 1615-1623.
- Roberts, R. W. (1992). Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting, Organizations and Society*, 17(6), 595-612.
- Salvato, C. (2009). Capabilities unveiled: The role of ordinary activities in the evolution of product development processes. *Organization Science*, 20(2), 384-409.
- Salvato, C., & Moores, K. (2010). Research on accounting in family firms: Past accomplishments and future challenges. *Family Business Review*, 23(3), 193-215.
- Sambamurthy, V., & Subramani, M. (2005). Special issue on information technologies and knowledge management. *MIS quarterly*, 1-7.

- Scarpellini, S., Marín-Vinuesa, L. M., Aranda-Usón, A., & Portillo-Tarragona, P. (2020). Dynamic capabilities and environmental accounting for the circular economy in businesses. *Sustainability Accounting, Management and Policy Journal*, 11(7), 1129-1158.
- Schilke, O., Hu, S., & Helfat, C. E. (2018). Quo vadis, dynamic capabilities? A content-analytic review of the current state of knowledge and recommendations for future research. *Academy of Management Annals*, 12(1), 390-439.
- Schlichte, F., & Junge, S. (2024). The concept of entrepreneurial opportunities: a review and directions for future research. *Management Review Quarterly*, 1-27.
- Shapiro, B. (2016). Using traditional narratives and other narrative devices to enact humanizing business practices. *Journal of Business Ethics*, 139(1), 1-19.
- Shapiro, B., & Naughton, M. (2015). The expression of espoused humanizing values in organizational practice: A conceptual framework and case study. *Journal of Business Ethics*, 126(1), 65-81.
- Teece, D. J. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.
- Teece, D. J. (2014). The foundations of enterprise performance: Dynamic and ordinary capabilities in an (economic) theory of firms. *Academy of Management Perspectives*, 28(4), 328-352.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.
- ten Rouwelaar, H., Schaepkens, F., & Widener, S. K. (2021). Skills, influence, and effectiveness of management accountants. *Journal of Management Accounting Research*, 33(2), 211-235.
- Toshiro, H. (1988). Another hidden edge-Japanese management accounting. *wi*(4).
- Van, H. V., Abu Afifa, M., & Bui, D. V. (2025). Green Innovation and Sustainability Reporting: Linking Environmental Practices to Sustainable Competitive Advantage Through a Moderated Moderation and Mediation Model. *Business Strategy and the Environment*.
- Verrecchia, R. E. (1990). Information quality and discretionary disclosure. *Journal of accounting and Economics*, 12(4), 365-380.
- Wanderley, C. D. A., Cullen, J., & Tsamenyi, M. (2021, April). Corporate political strategy: the roles of management accounting in relational work. In *Accounting Forum* (Vol. 45, No. 2, pp. 200-226). Routledge.
- Wilden, R., Gudergan, S. P., Nielsen, B. B., & Lings, I. (2013). Dynamic capabilities and performance: strategy, structure and environment. *Long Range Planning*, 46(1-2), 72-96.
- Wouters, M., & Wilderom, C. (2008). Developing performance-measurement systems as enabling formalization: A longitudinal field study of a logistics department. *Accounting, organizations and society*, 33(4-5), 488-516.
- Wright, W. F. (2016). Client business models, process business risks and the risk of material misstatement of revenue. *Accounting, Organizations and Society*, 48, 43-55.
- Xu, Y., Cheah, J. H., Hair Jr, J. F., & Liu, Y. (2025). Does EMA implementation promote green innovation? The mediation effects of both cross-functional cooperation and supplier co-creation. *Business Strategy and the Environment*, 34(1), 380-401.
- Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, reconceptualization, and extension. *Academy of Management Review*, 27(2), 185-203.