

ABSTRACT

The research provides an outlook of the evolution of management accounting in Russia, with a main phase of investigation during the period 2014-2019. It traces the development of management accounting in the country's emerging economy during the three post-Soviet decades and investigates the specifics of management accounting in the domain of mid-sized companies – the most typical representatives of the market economy.

The study addresses the following principal research questions: How did the management accounting concept evolve and develop in Russia during the post-Soviet era and what is the current state of management accounting practices in mid-sized Russian private companies in comparison to the global framework?

A systematic literature review conducted in a course of this study revealed, that published and publishable literature sources on management accounting are scarce in quantity and quality. Most of the research has been done locally without compliance with the globally accepted good practices for academic work, with findings reported in the Russian language. Most of the existing studies are fragmented and do not provide for a holistic picture and systematic analysis and there is only a handful of studies (namely, six papers) attempting to provide a wider perspective on the subject, however, three of them, were published in the early 2000s and another one was published locally in the Russian language and reflects a rather biased perspective of the old-school academic community representing inherited soviet traditions of the scholarly work.

This is an interpretive research which aims at developing theoretical propositions and explanations along a grounded theory building process. The research implied the use of various qualitative methods – from historical studies, based on archival methods, to field-based case studies of management accounting practices. The comprehensive research design and the complex and longitudinal nature of the project allowed for a holistic picture of the state of management accounting in Russia in its new post-Soviet era. The research is focused on the “soft” side of management accounting, stressing the first word in the term, and looking at the phenomenon through such dimensions as change, leadership, and stakeholders' roles and aspirations. This approach is in line with the current interpretation of management accounting best practices provide.

The findings demonstrate that management accounting in Russia is still an emerging concept. From the point of view of practices prevailing in companies today, the current understanding of management accounting in Russian mid-sized companies corresponds to the level at which management accounting in the countries with developed market economies had been twenty to thirty years ago. The role of main actors/stakeholders in the development of management accounting was in general insignificant. The driving forces of development of management accounting were different from those of the environment of developed markets. External shocks of various nature accelerated the change in Russia, rather than a gradual adaptation by corporate choice of best practices and ideas of research, academia, and consulting practice. The benefits of management accounting to the overall corporate success were insignificant at each phase of development. The analysis did not directly observe any correlation between the state of management accounting of the company and its financial performance.

Grounded theory building process for this study yielded two theoretical propositions, synthesizing the main findings:

1. The influence of external factors on the development of management accounting in Russia has been spontaneous (lack of leadership) and unsustainable (driven by ignorance, opportunism, and self-interest of main actors).

2. Management accounting competences of the decision-makers of mid-sized companies, in most cases, are not sufficient (incompetent, ignorant, self-confident, and disinterested decision-makers) to arrange a proper management accounting function (inferior management accounting practices). As a consequence, a company gets the level of management accounting at best corresponding to the level of decision-makers' incompetence or lower (managerial dead-end), which creates a "vicious circle" not allowing to give rise to financial leadership.

The study makes the following contribution to the body of knowledge on management accounting. To the best knowledge, this study is the first:

- To conduct a systematic literature review in the management accounting domain for the context of the post-Soviet countries;
- to conduct a comprehensive study of the development of management accounting in Russia during the post-Soviet era;
- to apply interpretive methodology and grounded theory approach to management accounting studies in Russia.

A systematic analysis of management accounting practices in mid-sized Russian private companies contributes to the knowledge of the regional specifics of the studied domain and allows to position the state of management accounting in Russia in the context of the global framework.

In addition, being one of the few studies on this topic in English, and given that the dissertation is based on published scientific papers, this study contributes to the dissemination of knowledge on a global scale, which makes it more accessible to researchers from other countries.