Paper, people and performance: Management accountants' perceptions of value creation

JJ HUGO

orcid.org/0000-0002-7529-6788

Dissertation accepted in fulfilment of the requirements for the degree Master of Commerce in Management Accountancy the North-West University

Supervisor: DP Schutte

Graduation: June 2021

Student number: 23415800

ACKNOWLEDGEMENT

“A good man draws a circle around himself and cares for those within – his woman, his children. Other men draw a larger circle and bring within their brothers and sisters. But some men have a great destiny. These great men draw around themselves a circle that includes many, many more.”

I dedicate this dissertation to; The man who has drawn a circle around himself that includes many, many more. To the man who has dared to step into the arena, never to sit on the side-line. To the man who has fought for, and on behalf of, the underdog. To the man has taken the road less travelled by and whose children are better off for it. I dedicate this dissertation to the man who is all of these men. Here’s to my grandfather, whose name I proudly bear, Dr JJ Hugo.

Thank you for the immense value you have continued to add to those around you. Thank you for leading your family in the truth and the love of the Almighty God. Thank you for teaching me about life and for calling me out when I tried to play it safe. Thank you for showing, through the life you have lived, what it means to be a man.

Thank you for the wisdom you have shared, the courage you have shown and the faithfulness in all that you have been entrusted with on this earth.

“For heaven’s kingdom realm is like a man who went on a long journey and summoned all his trusted servants and entrusted to them his property. To one he gave five talents… according to his ability. Then he went away. He who had received the five talents went at once and traded with them, and he made five talents more… Now after a long time the master of those servants came and settled accounts with them. And he who had received the five talents came forward, bringing five talents more, saying, ‘Master, you delivered to me five talents; here, I have made five talents more.’ His Master said to him, ‘Well done good and faithful servant. You have been faithful over a little; I will set you over much. Enter into the joy of your Master’.”

May it be written; that you served your God faithfully, loved your wife tenderly, that your children and grandchildren admire you, and that the enemy feared you.

Thank you for being a fighter and being willing to step into the arena one last time.

I love you dearly and respect you immensely.

ABSTRACT

Title: Paper, people and performance: Management accountants' perceptions of value creation

Keywords

Management accountant, value, value creation, value capture, stakeholders, performance, measurement

The role of the management accountant has seen a definitive change in the last 60 years from a “paper” world that emphasises the counting and accounting, to that of a “people” world of managing both teams and processes, all the while being committed to the sustained performance of the organisation and communicating that performance. This paper explores the perspectives and experiences of management accountants on how they navigate through the ambiguities of value creation and stakeholder expectations.

The problem addressed by this study is based on the theory that ascribes the function of value creation to the role of the management accountant, but to understand what that amounts to for each individual and how that is realised in different positions and different industries, is still undetermined.

What does it mean to create value? What is considered as value? How is value captured and communicated? These questions served as the motivation for conducting this study to gain insight into how value and value creation is understood and applied by management accountants in the workplace and how the different stakeholder expectations are managed through this process.

The existing literature on these topics was reviewed and followed by an empirical study who engaged with the management accountants directly. A qualitative research design was followed to collect the data from the 30 participants through the use of a questionnaire.

The findings from the empirical study provided invaluable insight into how the concept of value creation currently translates from theory to practice and what elements play a role in stimulating an environment that allows for the active pursuit of value creation.

Along with the findings, recommendations for further research on the subject were provided. Although the research was only limited to a certain population of management accountants, it is the hope of the researcher that this study would provide the opportunity for more to be done in developing tools and frameworks to better equip the management accountant within their role, to ultimately be able to actively pursue value creation in any setting.

OPSOMMING

Sleutelterme

Bestuursrekenmeester, waarde, waardeskepping, waarde vasvang, belanghebbendes, prestasie, meting

Die rol van die bestuursrekenmeester het die afgelope 60 jaar 'n definitiewe verandering gesien vanaf 'n 'papier' wêreld wat die tel en boekhouding beklemtoon, na die van 'n 'mense' wêreld van die bestuur van beide spanne en prosesse, alles terwyl hulle verbind is tot die volgehoue prestasie van die organisasie en die kommunikasie van daardie prestasie. Hierdie referaat ondersoek die perspektiewe en ervarings van bestuursrekenmeesters oor hoe hulle deur die onduidelikhede van waardeskepping en die verwagtinge van belanghebbendes navigeer.

Die probleem wat deur hierdie studie aangespreek word, is gebaseer op die teorie wat die funksie van waardeskepping toeskryf aan die rol van die bestuursrekenmeester, maar om te begryp wat dit vir elke individu beteken en hoe dit in verskillende posisies en verskillende bedrywe gerealiseer word, bly steeds onbepaald.

Wat beteken dit om waarde te skep? Wat word as waarde beskou? Hoe word waarde vasgelê en gekommunikeer? Hierdie vrae het die motivering vir die uitvoering van hierdie studie gedien om insig te verkry in hoe waarde en waardeskepping deur bestuursrekenmeesters in die werkplek verstaan en toegepas word en hoe die verskillende verwagtinge van belanghebbendes deur hierdie proses bestuur word.

Die bestaande literatuur oor hierdie onderwerpe is hersien en is opgevolg deur 'n empiriese studie wat bestuursrekenmeesters direk betrek het. 'n Kwalitatiewe navorsingsontwerp is gevolg om die data van die 30 deelnemers te versamel deur gebruik te maak van 'n vraelys.

Die bevindinge van die empiriese studie verskaf waardevolle insig in hoe die konsep van waarde skepping tans vertaal Van teorie tot praktyk en watter elemente 'n rol speel in die skep van 'n omgewing wat die aktiewe strewe na waardeskepping moontlik maak.

Saam met die bevindinge is aanbevelings gegee vir verdere navorsing wat gedoen kan word oor die onderwerp. Alhoewel die navorsing slegs beperk was tot 'n sekere populasie bestuursrekenmeesters, is dit die hoop van die navorser dat hierdie studie die geleentheid sal bied vir meer om gedoen te word om instrumente en raamwerke te ontwikkel om die bestuursrekenmeester beter toe te rus binne hul rol, om uiteindelik in staat wees om aktiewe waardeskepping na te streef in enige omgewing.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1 INTRODUCTION

1.1 INTRODUCTION AND BACKGROUND TO THE STUDY

1.1.1 Value in the business context

On 23 June 2016, the United Kingdom voted on a referendum to leave the European Union; this event upended the global status quo and showed the world how vulnerable our institutions really are (Clark, 2017). Since then, the world as we know it, has become even more uncertain as the people continue to voice their concerns about being left behind in the global economy. The public's trust in our institutions and business corporations is at an all-time low, with only the trust in governments being lower (Kammel, 2019).

For a business to be sustainable in the 21st century, it is crucial that trust be restored. In an attempt to restore this trust, more and more businesses are turning to a concept known as "Inclusive Capitalism." It is a powerful concept that has reverted to the basics of business; it is the idea that a company should not just create profits, but also create value that reaches stakeholders across the globe (Carney, 2014). For some organisations, it could mean improved benefits for employees or the provision of more training, for others, the launching community initiatives. For all companies, it is based on the principle that businesses have an important role to play in building a more prosperous society over the long-term, and in the 21st century this is a critical factor in creating sustainable competitive advantage for organisations with the ever increasing numbers of conscious consumers and employees (Weinberger, 2019).

In pondering the principles of inclusive capitalism, one cannot help but wonder what it means to create value, especially when it comes to balancing the different perceptions of value for the different stakeholders to whom the business is accountable. To understand what it means to create value, one must firstly explore what "value" means.

The meaning of value, and what it denotes in different contexts, has evolved over more than 2400 years, when Plato and Aristotle first explored this idea around 300-400 B.C.

Value was originally defined in economic terms (Georgescu-Roegen, 1993), but even though it was defined, it posed a serious problem when it came to conceptualising value, since the fundamental nature of economic value has three dualities (Mooya, 2016).

Mooya (2016) explains the first duality relates to the nature of value, whether value is something that is intrinsic (to the product or service) or extrinsic (as perceived by those who contemplate said service or goods). The first views value as existing independently from human awareness or opinion; the second view explains that value is entirely subjective and exists in the consciousness of people who constitute the market as a collective.

The second duality relates to the different types of value as viewed in the value-in-use of the said product or service and the value-in-exchange. The first relates to the value it provides for the individual user, whereas the second relates to the value of that product or service as viewed by the market as a collective (Mooya, 2016).

The third duality reflects the need for the quantification of value. This is the duality most mulled over by accountants and is best illustrated in the relationship between the cost and the value of something. The search to be able to measure the value of something (which is subjective) leads to the cost or price (which is usually objective), even though the discovery of the objective quantification does not always reflect the intrinsic value associated with that which is being valued (Mooya, 2016).

Younkins (2005) found that both Plato and Aristotle, when defining and explaining value, turned to labour. They believed labour is something which has value, not something which gives value. They believed labour should be the point of reference when estimating the value of a product or service and not using the product or service to determine the value of the labour that was invested in its creation.

Plato stopped short of describing labour as a creator of value, and if he had been pressed, it is clear that, human "need" or “demand “would have been presented as his “concept of value” (Younkins, 2005).

This concept of value and how it is created or quantified, was not only a point of contention in the minds of the philosophers, but also in the traditional way that businesses perceived what is valuable and worth communicating to its stakeholders. Using Plato's description of the concept of value, different stakeholders have different expectations or "needs" and "demands" from a business on what they deem to be valuable and how the business should prioritise this (Garcés-Ayerbe *et al.*, 2012).

1.1.2 How companies measure and perceive value creation

The world of business has changed many times over the past 400 years, but especially in the last 30 years, which have seen the dot-com and cryptocurrency bubbles expand and burst, the great financial crisis of 2008 and trade-wars on an international level. One of the most substantial changes, however, has been to the nature and essence of business itself and the way value is viewed within the business context (Porter *et al.*, 2012).

Value management developed in an environment commanded by capital-intensive entities, for whom value creation came down to squeezing out incremental returns on the capital employed to be proudly displayed on the balance sheet (Hansell, 2012). Neoteric decades have seen the ascent of "discovery" businesses in the form of professional services, medical technology, pharma and most considerably, the boom in the IT industry, which has made the world smaller and access to information wider (McGrath, 2010). For these industries, value creation comes down to generating returns on investments through the cash flows in the income statements as a result of driving top-line growth (Hansell, 2012).

As Hansell (2012) further explains, the types of challenges faced by company managers have transformed, along with this shift in the economic landscape, as the advances in technology have caused the economy, along with the managerial principles that govern value creation, to evolve faster and more comprehensively than witnessed in the entire previous century (Dunphey, 2003). Throughout these changes, the ability to remain sustainable, relevant and adaptable in the long term have become increasingly important and the principles of value creation have become more paramount than ever.

Hansell (2012) shows in his research that value creation in business, along with the perceptions of what is valuable for the different stakeholders, have been a matter of contention for as long as the world of business has existed.

Commerce became capitalism for the Dutch East India Company at the dawn of the 17th century, when they officially syndicated their ownership (Hansell, 2012). It was not long after that the first dispute between the shareholder's and its managers arose when one of the shareholders sued for control rights, with the reasons quoted being a lack of trust in the governance, how capital allocations were made and disagreements on issues relating to transparency. The tensions between company owners and company managers have remained an ever present theme when it comes to issues of creating long-term shareholder value and other management objectives (Lockhart & Taitoko, 2005).

The Boston Consulting Group (BCG), in their October 2017 report titled, *"Total Societal Impact: A New Lens for Strategy,"* stated when it comes to the goals and objectives of a company, value creation is not the only goal, but it is absolutely essential. When discussing the different types of value that should be created, the concept of shareholder value incites much debate. For some, it is the singular company objective, for others it is a misguided target. There are plenty of points of view in between, however there are two big issues relating to this debate (Beal, 2017).

First, companies have shareholders, shareholders have rights, and shareholders are increasingly sophisticated, especially when it comes to the exercising of their rights. More often than not, a management team that loses the support of its investors also loses control of the company's agenda, including the ability to pursue other, non-financial objectives (Hillman & Keim, 2001).

It is worth wondering at this point if it really is possible to have goal congruence on these issues for the company and its shareholders. The research by BCG, on the area of corporate governance, illustrates that companies that perform well in terms of non-financial environmental and social governance measures also deliver better financial performance and command measurably higher valuation. It is clear that purpose-driven, sustainable strategies are beneficial to shareholders, and the communication of these strategies enables the shareholders to understand the goals and objectives, and the prioritisation of business activities and investment opportunities by management in how they aim to create value and sustainable competitive advantage for the company and its shareholders over the long-term (Laszlo, 2008). Doing this requires more than your average approach to investor relations, it requires value-oriented leadership to engage in robust and genuine dialogue with investors and shareholders about the ways value will be created. These dialogues are seen as opportunities to challenge conventional wisdom and approaches in the organisation (Beal, 2017).

In choosing between investment opportunities for creating value, the theory that value creation comes solely from evaluating and choosing the positive net present-value investments is of limited use in most public companies in modern times. Despite this, many decisions are still made using archaic valuation methods that overly rely on certain market metrics (Bose & Thomas, 2007).

Fundamentally, a company's shares are priced on the basis of the investor's views of how appealing the primary business and the available investment opportunities are in meeting their expectations (Aaker & Jacobson, 1994). As the expectations and perceptions of the shareholders are taken into consideration in the share price, the real value creation challenge facing the leaders of public companies today is the need to make more and better investments than the ones already expected by investors, or to proliferate the current profits being earned on the contemporary investments. Managing expectations of shareholders is no small task, especially given its continual evolving nature over time, and it is an exasperating feat if it is to be tried using metrics alone (Hansell, 2013).

Value management principles have to be ingrained into an organisation's processes and systems, and includes planning, target setting, performance reviews, risk assessment and how inputs and outputs are accounted for in realising the strategy. This is how strong and sustainable value creation is ensured. It can be concluded from the BCG report, that a comprehensive value creation agenda should include both the hard (performance) and soft (culture) elements of the organisation (Hansell, 2013).

When it comes to how and what companies communicate to their stakeholders, Ernst and Young (EY) wrote a Background Paper on Integrated Reporting and the reporting of value in 2013, which discussed the need of the modern corporate company to provide clarity on the purposes for creating value, to whom that value would accrue, and how that value should be communicated in an integrated report. The paper explains value is created and destroyed in the implementation and pursuit of the business model of the organisation (Ernst & Young, 2013).

The definition of “business model” is “the chosen system of inputs, business activities, outputs and outcomes that aims to create value over the short, medium and long term.” The term “value creation” is defined, within this context, as the process that takes the inputs from the different capitals used in the production process and transforms them through the different business activities and interactions to produce the required outputs that will create or destroy value for the organisation and its stakeholders, society and the environment over the short, medium and long term (Ernst & Young, 2013).

The different capitals from which the business model takes inputs are defined as financial, manufactured, intellectual, human, social and relationship, and natural capital. The capitals represent stores from which value is released when the capitals are combined, transformed and leveraged through an organisation’s business activities and interactions in order to produce outputs and outcomes that represent value creation or value destruction for stakeholders, depending on their interests and perspectives (Stein, 2014).

The assessment of value creation therefore involves considering the interdependencies between a company’s competitiveness and performance and the communities, stakeholders, supply chains and natural environment it affects and from which it draws. An integrated report should enable providers of financial capital to assess whether, to what extent and how an organisation’s business model affects the wider context that supports or threatens value creation, including financial value, in the short, medium and long term (Cheng *et al*., 2014).

The paper can be used to conclude that communication about value creation is not restricted to information that will eventually find expression as financial value or as results and outcomes that can be monetised. Information that supports the communication of value creation can be conveyed in quantitative or qualitative terms, or a combination of both (Ernst & Young, 2013). In considering the risks and rewards expected from an organisation and its capacity to create value, providers of financial capital and others will consider whether the organisation is utilising resources cost-efficiently, and within natural or environmental limits and societal expectations. Therefore, in addition to results about how the organisation is meeting its objectives or balancing budgets, intended report users need to understand the outcomes of the company’s business activities for its stakeholders and for the public (Cheng *et al.*, 2014).

This is a shift to a more accountable company, one that strives to be transparent to its stakeholders on how it performs its duties and steers the company through the ever changing seas in the face of industry disruptions, to navigate the company and define what it will look like when it arrives safely on the other side. This responsibility demands processes, information and managers that can reinvent and adapt when traditional goals for stable times, such as near-term earnings per share growth, are rendered irrelevant; this is when management teams need to shift gears by involving “business partners” and start thinking like owners by applying the fundamental principles of value creation with a reinvention mind-set (Hansell, 2017).

1.1.3 Changing role of the management accountant from measuring to managing

When it comes to value creation for businesses, no one person or group in a company can create value on their own. It is the result of collaboration throughout the entire organisation, but the finance function plays an integral role in providing the framework within which value is created (Hofmann, 2003). The group within the finance function, who fulfil this internal role in the organisation, are mostly the management accountants (Jensen, 2010).

The reason it is the management accountants who are best situated to fulfil this role, is that the business model dictates the way in which action planning, strategy formulation, risk management and governance are utilised to put the process that is followed for value creation into motion (Freudenreich *et al.*, 2019). Through this, a need arises to connect the multiple drivers in the value chain the business model describes, and this need puts the role of the management accountant in the lead of the value creation process due to the unique skillset they possess (Brands & Holtzblatt, 2015). The management accountant best understands the business model because they have a perspective of the organisation’s strengths and weaknesses that is unique and holistic. This understanding and role positions them at the centre of the drive towards integrated reporting, by using their integrated thinking (Busco *et al.*, 2014).

This raises the question on how the management accountant’s role aids in enabling a business to pursue a strategy that simultaneously will create value for its stakeholders, while still being economically competitive.

Managerial accounting in business, has witnessed a significant change in the past two decades. From the original emphasis being on budgetary control and financially focused decision analysis, managerial accounting has adapted to incorporate an approach that is more strategic of nature, in placing emphasis on the elements of identification, measurement and management of the primary financial and operational drivers of shareholder value (Ittnr & Larcker, 2001) (Järvenpää, 2007) (Malmi, 2016).

In the managerial accounting research, the same evolution could be seen with the introduction of techniques such as the balanced scorecard, strategic accounting and control systems, activity-based costing along with activity-based management, and economic value performance measures (Rieg, 2018). These techniques are increasingly being integrated using a comprehensive Value-Based Management framework, also known as the VBM framework (Ittnr & Larcker, 2001).

This framework places attention on four key business areas (Brandenburger & Stuart, 1996). The first is to define and implement strategies that provide the highest potential for creating value for the shareholders and the company. The second area is to introduce and implement information systems that focus on value creating and the underlying drivers of value across the company's function and business units, products and segments. The third is to align the different business processes, such as resource allocation and business planning, with value creation. The fourth process comes down to designing performance management and measurement systems and plans for incentive compensation that reflect value creation (Ittnr & Larcker, 2001).

More than 50 years of management accounting practice and research have led to the introduction of the Value Based Management approach being used by management accountants in leading the value creation process and performance measurement (Martin & Petty, 2001).

Before the 1950s, the main role of management accounting in practice was using budgeting and cost accounting systems for cost determination and financial control in the operations of the business (Fleischman & Parker, 1990). In the 1960s and 70s, the focus was turned to providing information for management planning and control. At the start of the 1980s, the role once again shifted away from planning and controlling to emphasising the process of waste reduction in the business functions and activities (Ittnr & Larcker, 2001).

The main reason for this shift in function was the growing popularity of using total quality management techniques to manage the production process, with measures such as activity-based costing, strategic costing management, and cost of quality and process value analysis (Hellsten & Klefsjö, 2000).

This focus expanded in the 1990s to include a more strategic focus on the creation of value for the business by introducing more sophisticated managerial accounting techniques that enabled the identification, measurement and management of the drivers of shareholder returns, customer value and organisational innovation. These techniques included the creation of balanced scorecards and advanced strategic management accounting systems that provided for better quality decisions with the type of information it provided (Ittnr & Larcker, 2001).

The Institute of Certified Management Accountants defines the management accountant as, "A management accountant applies his or her professional knowledge and skill in the preparation and presentation of financial and other decision oriented information in such a way as to assist management in the formulation of policies and in the planning and control of the operation of the undertaking. Management accountants play a role within the company as "business partners," which enables them to apply a wide range of skills and collaborate with cross-functional divisions within the company. Management accountants are seen as the "value creators" amongst the accountants. They are much more interested in forward looking approaches and taking decisions that will affect the future of the organisation, than in the historical recording and compliance aspects of the profession" (CMA, 2019).

A continual thread throughout the evolving role of the management accountant is to provide what the business demands and what its managers require to manage the organisation (Järvenpää, 2007). The management accountant therefore plays a pertinent role within the company when it comes to the provision of both strategic insights and operational information (Byrne & Pierce, 2007) (Rieg, 2018). This role is in strong contrast with the role of the financial accountant in the business, where the profession itself is regulated and governed by external laws and bodies that need to comply with the letter of the law in every function.

The role of the financial accountant is also ultimately more focused on the type of information provided for external communication purposes of the company's overall performance, compared to a more business-centred approach management accountants have within the organisation (Rieg, 2018). This approach has meant management accounting, under the leadership of CIMA and the AICPA, have adopted techniques and approaches of different disciplines to move into a position of proactively managing instead of their initial function of reactively measuring (Allott *et al.*, 2000).

The rise and evolution of a more encompassing integrated reporting approach to the financial statements, that is used to communicate value to different stakeholders, has put a lot of the company's focus on meeting this requirement for the external stakeholders to measure the company's performance and compliance in different areas. This encompassing external reporting approach has however not caught on when it comes to internal communication of value creation for the company (Iona & Adriana, 2013).

A management accountant plays a crucial role in the internal functions of the organisation, by providing information relating to the performance, position and the progress of the organisation, for decision making purposes, for creating value for the organisation and ultimately a form of sustainable competitive advantage (Allott *et al.*, 2000) (Rieg, 2018).

The developments in technology are challenging the very core of the finance function (Oesterreich & Teuteberg, 2019). Accountants must now fulfil diverse expectations and possess a broad cross section of skills. They must understand the business if they are to remain relevant. Finance managers, more than any other, know that change is essential for survival and the management accountant is best equipped for this adaption to function in multiple roles as an extension of the finance function (CGMA, 2012).

The Chartered Institute of Management Accountants (CIMA) conducted research to identify the types of change that have taken place within the finance function over the last decade and on understanding the expectations for the future (CGMA, 2012).

Research published in 2012, on the CGMA official website, further moved to analyse the impact of the dual focus of efficiencies and value creation within the finance function for the management accountant.

One of the main findings from their engagement with the public sector, was that finance can no longer only be viewed as an overhead, but has a key role in enabling growth and realising strategy, and organisations should structure the role of the finance function to support this view in their process of value creation, so that the finance function could maximise its contribution to the goals of the organisation (CGMA, 2012).

The publication suggested the management accountant and finance, in the general sense, should act in a more collaborative role as a "business partner" to help the organisation in the duality of improving the internal accounting processes, while focusing on the profitability of the outputs rendered. The duality in management accounting is the process of minimising costs while simultaneously increasing value being created and contributed to the overall business (CGMA, 2012).

One of the greatest inhibiters that influences the ability of the finance function in playing a more active role in enabling the creation of value within the organisation, is the amount of time and resources spent on statutory reporting; this indicates too much effort is spent on meeting regulatory reporting requirements at the cost of a more supporting role for operational effectiveness and managerial accounting activities that will provide cost and process efficiencies, while also driving profitability and supporting management in decision support. This will ultimately enable the management accountant to have a cross-functional role and work more collaboratively within the organisation (CGMA, 2012).

However, even though the finance function potentially might have a more active role to play in value creation, it is hard to manage that which you cannot reliably measure or not having clarity of what is expected, so it is easier for the finance function to revert back to that which is most familiar and reliable as performance indicators. There exists a pressing issue, when it comes to the administrative problem, of companies not being able to create reliable or accurate performance management that is based on the strategic planning of where the entity is heading. It poses a serious difficulty to determine the appropriate level of achievement for each role-player to be able to "create value" within the framework of available objectives and expectations (Iyibildiren, 2017).

Using financial information as the basis for performance measurement provides accurate and objective results. However, the calls for more inclusive capitalism demand a type of value that is not always quantifiable, yet is sometimes too specific for conventional measurement methods. This context wherein businesses are functioning, places the management accountant in a position where financial performance methods are inadequate at various points. As a result of this evolving environment and the improvements in manufacturing techniques that have redefined the competitive landscape, the companies have begun to give more importance to non-financial issues relating to quality, origin, flexibility, employee involvement and timeliness in addition to the existing financial objectives, such as cost minimisation and profit maximisation, in order to gain competitive advantage (Iyibildiren, 2017).

Management accountants are therefore tasked with the responsibility of helping to develop competitive performance-oriented perspectives relating to the way in which financial and non-financial resources and information is used and communicated (Rieg, 2018).

Management accountants are required to display innovation in combining and using the types of information for performance related matters, while ensuring strategic alignment. Organisations cannot be competitive if their performance cannot be measured in their respective environments (Iyibildiren, 2017).

1.2 PROBLEM STATEMENT

In 2017, the Coalition for Inclusive Capitalism launched the Embankment Project for Inclusive Capitalism (EPIC) to tackle the challenge of communicating how value is created for the stakeholders of a company, however it is not unusual to find the typical 21st century company only has about 20% of the company's value reflected on its balance sheet (BrandFinance, 2018). Most of the company's value is found in the intangible elements of its business model, such as the levels of trust, innovation, corporate governance and culture that are increasingly harder to measure. This inability to communicate these increasingly sought after attributes are often the reason for the differences in perspectives between a company and its investors (Ernst & Young, 2017).

One of the main challenges in this development, is the fact there is no consensus on what stakeholder value should be measured, how it should be measured, or the action that should be taken to arrive at metrics that matter. Without this challenge being solved, the lack of verifiable metrics that stakeholders can trust, will lead to companies being unable to communicate how they are creating value.

This challenge is not only in the case of the company as a whole, but is further reflected in the role of the management accountant. A management accountant has a point of tension between the "measurement" and "management" role. In the measurement role, the performance of the management accountant can be quantifiable in the form of the numeric data relating to the costs of the internal business processes. In the management role, which includes the "creation of value" role, it is much harder to quantify, as the value being added is completely subjective and unique to the specific role and the specific organisation.

Management accountants can successfully measure the value of money in their cost control function, but it remains a challenge on how they perceive the adding or creating of value in their respective roles and if their own perceived performance in their creation of value is shared by the managers of that organisation.

The problem statement in this research project is to examine the perceptions held by management accountants about their own performance, how they create value and if they can measure it.

1.3 OBJECTIVES

The objectives are divided into the main objective with supporting secondary objectives.

1.3.1 Main objective

The main objective of this research is to attempt to understand the management accountant's perception of their own performance and how they are adding or creating value in both their role and for the organisation as a whole.

1.3.2 Secondary objectives

The secondary objective serves to support the main objective:

- To review the existing literature surrounding value creation and performance measurement in the context of the management accountant (Chapter 2).
- To identify the appropriate research methodology to address the main research objective (Chapter 3).
- To use an appropriate questionnaire to collect the perceptions of the management accountants and to analyse those findings (Chapter 4).
- To conclude the study (Chapter 5).

1.4 METHODOLOGY / RESEARCH DESIGN

1.4.1 Methodology

Recent literature was reviewed to meet the primary and secondary objectives of this study, followed by an empirical study to corroborate the information presented in the literature.

The literature review was on the existing research on value and value creation in organisations, along with the role of the management accountants pertaining to value creation. The sources consulted for the literature review included scientific journals, internet websites and books. This approach allowed this research study to have a solid theoretical foundation from which certain themes could be identified to be expanded and deliberated on in the empirical research.

The empirical study consists of the research philosophy framework, the research methodology and design, the method and the participants. In the collection and analysis of the data for this research study, a qualitative approach was used, along with the review of the literature on the relevant topics identified. A structured qualitative questionnaire was designed to collect the data and allow for the interpretation of the participants' perceptions of the different topics in this research study.

The participants of the study consisted of management accountants who recently completed their Honours degrees in management accounting, and employed on the basis of this academic requirement. The rationale for this population group, was the theoretical foundation on value creation in management accounting that has to be homogenous throughout the population group, as this would form the foundation of the initial understanding of value creation for the participants prior to their employment. To collect the necessary data, a sample of 30 respondents were taken from the abovementioned population, to whom the qualitative questionnaire was administered as per Appendix I of this study.

1.4.2 Theoretical Framework

The research will be conducted using the stakeholder theory (Jensen, 2010), to take the different interests and perceptions of an organisation's stakeholders into consideration when defining the concept of value creation and value capture for performance measurement and the communication thereof; these concepts cannot be viewed in a vacuum as they relate to the experiences of people and are defined by those for whom the value is created.

This fits under the ontological assumptions, as the stakeholder theory underpins the individual's qualitative interaction that is expected from the methodological approach in collecting and obtaining the information.

The stakeholder theory originated from the combination of the disciplines of politics and party interests, organisational behaviour, and sociology. This theory is brought to the forefront on issues such as the prioritisation of different corporate objectives when weighing up the interests of the different stakeholders who have a vested interest with the organisation. This is the focal point of the global corporate governance debate over whether companies should maximise shareholder value or act in the interests of their stakeholders (Jensen, 2010).

The stakeholder theory delves deep into the emotional commitments of most individuals to the organisation. This theory helps to gain a better understanding of the relationships within and relating to an organisation, and to provide insight into the effects that performance has on these relationships (Jensen, 2010).

The stakeholder theory argues that when decisions are made, these decisions should reflect and consider the interests of the stakeholders of that company. A study by Jensen (2010) explains how the stakeholder theory can lead to a manager ending up in a position that makes it impossible for them to make resolute decisions, due to them not being able to prioritise trade-offs in preferring one interest above the other. This can potentially put the management accountant in a position of trying to keep score without a scoreboard (Jensen, 2010).

To create sustainable value for the organisation, value maximisation cannot be the sole objective. It acts as a statement of the corporate vision of the organisation and does not enable the employees to have an emotional commitment that will create enthusiasm. This means the long term changes in the market value of the organisation become the metric used by the company to determine success or failure. If value maximisation is used as the corporate scorecard, it needs to be complemented by the strategy and the vision of the company that will unite the participants in the company in creating a sustainable competitive advantage. It is, however, imperative that within this framework, the different interests be weighed. A company cannot maximise its value if it does not consider the interests of its stakeholders (Jensen, 2010).

This study will provide insight into how different modes of value creation are determined by different stakeholders and how the management accountant fits and perceives within this paradigm of having a role in creating value for the stakeholders whom the company deem to be the most important. These stakeholders include the shareholders of a company, the South African government, consumers of the product or service, the environment, the society impacted by the operations of the organisation, the suppliers, distributors and the employees of the organisation.

1.5 OUTLINE AND STRUCTURE OF THE CHAPTERS

Chapter 1: Introduction and background

This chapter provides the background for the study, that leads to the problem statement which is used to set the research objectives. This chapter concludes by providing an overview of the research design.

Chapter 2: Literature Review

This chapter explores the concepts and research relating to this study and discusses key concepts in the study relating to the role of the management accountant, value creation, value communication in business and performance measurement.

Chapter 3: Research Methodology

This chapter explains the research design for this study and elaborates on the data collection methods and techniques. It also describes the theory used in this study, namely the Stakeholder Theory.

Chapter 4: Empirical study

This chapter will focus on the questionnaire used to test the perceptions of the management accountant, and how these findings compare and which conclusions can be made from the findings. This chapter will further deal with analysis of the qualitative data gathered through the use of the questionnaires.

Chapter 5: Conclusion

This final chapter concludes this research study by summarising the findings and makes recommendations for further research opportunities on this topic.

1.6 SUMMARY

This chapter provided the introduction and background to this study and provided the outline of the approach that will be followed in conducting the research. It also featured the objectives that will be used to address the research problem. This chapter provides an overview of the research study.

CHAPTER 2 LITERATURE REVIEW

2.1 INTRODUCTION

Recent changes in the global business climate are largely associated with higher levels of competition and reduced consumer spending as a consequence of the global recession and significant changes in consumer preferences and behaviour. In the midst of these events, technology development and the role it plays in an organisation has seen unprecedented advances. All of this has led to increased attempts by organisations to acquire and sustain their market share and market reputation within an ever changing global economy. To stay relevant, organisations have had to make fundamental changes in how a 21st century organisation is managed in a sustainable and social conscious manner, all whilst reporting a profit (Florea & Florea, 2013).

In this regard, conventional management practices in the past were particularly focused on profit and organisational growth, but this approach has been replaced by novel organisational management strategies based on values and principles that are associated with elements such as human resources, preserving the environment and organisational and community development.

This new way of “doing business” in the interaction with the different stakeholders of the organisation, can be defined as value driven management (Freeman & McVea, 2001). This novel strategic management theory is based on applying and reinforcing the values concerning human resources, ethics, morals, community building, protecting the environment, staff, consumers and the public at large in the organisation’s decision making processes to ultimately create value for both the company and the stakeholders, and communicate this value in a fair and transparent manner. The term “stakeholders” are introduced and defined in section 1.4.2 of Chapter 1 of this study.

This new approach has led to “value creation” taking centre stage in the way the organisation does its business through its interaction with its stakeholders. This focus has inevitably been added to the management accountant’s role, due to the ambiguity and diversity of the different functions they can fulfil as “business partners” within the organisation. Due to the subjective nature and discourse relating to the nature of value creation, this potentially leads to a misunderstanding of the responsibility, or a clash with the traditional role of the management accountant when it comes to communicating or calculating the value that is created.

Only a few studies have researched value creation from a management accountant's perspective, in looking at how value is appropriated or the processes or activities by which value is created with and for stakeholders. This research aims to understand what role management accountants play in enabling an organisation to create value, and secondly, how this process of value creation, in collaboration with the stakeholders, influences and informs the work of a management accountant through the ascribed function of being part of the value creation and capturing process of the organisation.

The aim of this study is to firstly understand what "value" is, and this is discussed under the heading *Value*. Secondly, the aim is to determine for whom that "value" is being created, discussed under the heading of *Value and stakeholders*. Thirdly, the aim is to discover how the "value" is being created, discussed under the heading *Creating Value*. Fourthly, to understand the role of the management accountant within this value creation process, as discussed under the heading of *Management Accounting and Value Creation*. Lastly, how can the value created be captured and measured in this value creation process, and this is discussed under the heading of *Managing the Measurements*.

2.2 VALUE

2.2.1 Introduction to the concept of value

The concept of value is a very equivocal subject, which has been theorised about for the past two and a half millennia. This notion has been grappled with by some of the greatest thinkers, economists and philosophers who have ever lived; from Plato (Tigerstedt, 1977), Aristotle (Gordon, 1964) and Xenophon (Gray, 2007) to Adam Smith (Gupta, 1960), Karl Marx (Marx, 1910) and David Ricardo (Ricardo, 1992). Each theorist attempted to explain and define the concept of value through their own subjective interpretation and understanding of the world during their time in the history of the world.

Pitelis (2009) unpacks the contentious issues surrounding the debate on how value has been defined in the past and highlights the inconsistencies and errors of each of the attempted definitions of value over the past 500 years. They then proposed a definition of value, as they put it, at the level of the individual agent. This proposed definition is, "Value is perceived worthiness of a subject matter to a socio-economic agent that is exposed to and/or can make use of the subject matter in question" (Pitelis, 2009).

Pitelis (2009) explains that the benefit of the proposed definition is that it makes provision for the concept of value to not have to be dependent on the notion of "willingness to pay," which implies that a market price or even a market exists. It, therefore, makes provision for the possibility of inherent value.

2.2.2 Value in the organisational context

Organisational value is understood through the activities, processes, services and products developed by the organisation, which are regarded as valuable by prospective recipients, such as customers, distributors or competitors. The emphasis on all "prospective recipients" acknowledges the unavoidable social aspect of value within the process of value creation (Zwikael & Smyrk, 2011).

Organisational value, according to Pitelis (2009), can be surmised or recognised. Surmised value is what an organisation expects it can achieve by pursuing an activity, such as a new invention or engaging in a trade. Recognised value is achieved through a trade in a market; the value that is created is subsequently recognised as value captured.

This recognition of value, or the "perceived worthiness," can be induced by the level of innovation within the organisation, along with the effectiveness and efficiency with which a product or a service is created to ultimately result in reduced costs and better prices for certain features or quality, or alternatively, to greater distinction in the form of greater "perceived quality." Through this deduction, "value added" can be equated to "creating value" (Lippman & Rumelt, 2003).

With the literature on value creation in an organisational context still relatively limited, this proposed definition of value by Pitelis (2009), and the work done to rebut prior definitions of value and substantiate this proposal, will be used in this study to understand the perception of management accountants on value creation through the use of the stakeholder theory.

Samant and Sangle (2016) studied how the definition of value and value creation, evolved over the years. The study refers to Michael Porter (1985), who also defined value in economic terms in the mid-1980s as, "the monetary amount that a buyer is willing to pay the seller for that which is offered." In the early 1990s, Jay Barney introduced the resource-based theory as a means to describe value creation, and in the early 2000s re-affirmed it as one of the most influential theories in the field of strategic management (Barney, 1991). In the topic of value creation, much less research has been done in relation to stakeholder theory, however studying value creation without looking through the lens of stakeholder theory makes it virtually impossible, as the concept of value is inherently subjective and therefore differs in every context because of the unavoidable social element to value.

To ultimately understand what a stakeholder perceives to be valuable, it needs to be considered that the nature of value is subjective and multi-faceted and cannot be defined on its own, and is void of context or people to ascribe that value. Bowman and Ambrosini (2007) explain that the stakeholders level of relationship with the organisation, and the stake that it has in the organisation, inform the perception of what that stakeholder deems to be valuable at that time.

Value creation is defined in financial terms by Figge and Hahn (2004) when they explain that value is created when the benefit derived from the interaction, exceeds the cost. It is, however, an insufficient definition for the purpose of understanding value creation for all stakeholders, as not all stakeholders have a financial incentive and will therefore lead to most of the gains observed being intangible and subjective, meaning it will not necessarily be measurable by quantification. These gains may be in the form of an organisation being socially responsible in its interaction with the environment or with the people with which it engages, both internally and externally (Gray, 2006).

These intangible gains are more sustainable, and the value thereof may differ on a day to day basis as the impact of the organisation's decisions in its daily operations are interpreted by the stakeholders in relation to the values used as the premise to define the parameters of what is acceptable and unacceptable in the perspective of the stakeholder's for their interaction with the organisation (Garriga, 2014).

Hart and Milstein (2003) provided a broader definition by explaining that value creation can be defined as a process or activity that concurrently enhances positive impact and reduces the negative impact of the organisation while creating economic value for its shareholders. This definition is sufficient in explaining value for stakeholders with a financial incentive, but the stakeholders with a non-financial incentive do not necessarily define their value as being only economic in nature, so this definition also fails to capture value for all the stakeholders of the organisation.

Lepak *et al.* (2007) illustrated how the area of strategic management in the 21st century cannot be understood without the consideration of value creation in both the micro-level, in working with individuals or teams, and the macro-level, where society as a whole and the organisation is discussed. The main issue within this discussion is that there exists no agreement on what value means for each stakeholder.

No one definition of what value amounts to exists for all stakeholders on a macro level, and the meaning changes depending on who is involved. It has been studied and defined through the fields of economics, sociology and psychology. The creation of value has also been studied and explained through different theories, such as the value chain theory of Porter (1985), or the resource-based theory proposed by Barney (1991). However, the theory proposed by Freeman (2010), on stakeholders, provides the best explanation on how an organisation's ability to create the most sustainable wealth in the long term can be effectively determined by looking at the organisation's key relationships.

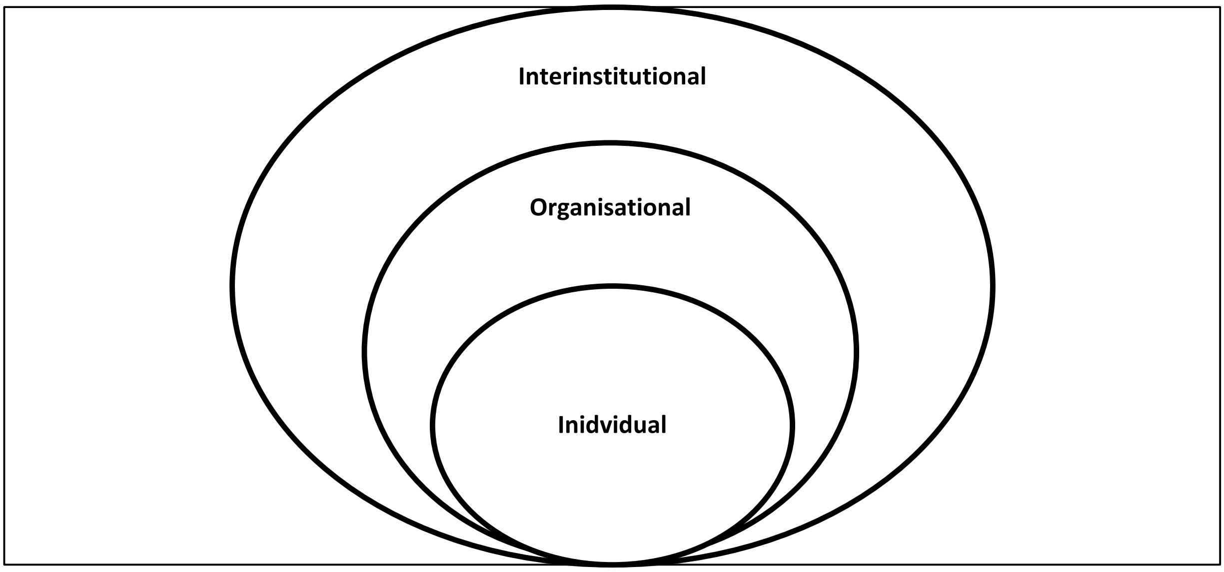
The stakeholder theory examines the value creation processes and activities of an organisation, which both informs and is informed through the contributions of those key relationships of the organisation. Therefore, stakeholders are those groups who contribute to the value creation of the organisation (Garriga, 2014).

At organisational research level, Bowman and Ambrosini (2000) proposed and distinguished between two modes of value: use value and exchange value. The usage value refers to the basic qualities of a given work, assignment, product or service as experienced by the user in terms of his or her desires, including such qualities as speed, aesthetics or performance for a particular function. These assumptions about the characteristics are subjective and human, as Bowman and Ambrosini (2000) indicate. The exchange value is considered as the amount realised when the exchange of the given work, assignment, product or service take place between the end user and the organisation. The end user is the person or entity who interacts with the organisation during the "normal course of business" who is willing to pay for the services or products provided by the organisation.

Taken together, these concepts imply that the creation of value is dependent upon the relative value that a specific end user is subjectively assigning to the activity or the realised end result of the activity performed by the organisation, that results in a willingness from the end user to exchange a monetary value for the value that was or is being realised (Lepak *et al.*, 2007). This mutual motivation allows the creator of the value and the end user of the value to continue engaging in this behaviour over the long term.

Value creation can be observed on three levels, as illustrated below.

Figure 2-1: The three levels of value creation



(Lepak *et al.*, 2007)

2.2.3 The three levels of value creation

2.2.3.1 Individual level of value creation

On an individual level, value is created through the process of different, meaningful activities, programmes, positions, goods, systems, decisions, innovations or other inputs that a target audience or end-user may value in relation to their needs or desires. The ultimate financial benefit of the activity has to be more than what may be obtained from an alternate source that offers the same activity. Individuals create value by behaving innovatively within their role to make the output or experience more novel and more suitable for the organisation, or for any end-user who has an interest in the output or experience (Lepak *et al.*, 2007).

The four main types of value an individual within the organisation, adds for the end-user are Economic value, Philosophical value, Subjective value and Objective value.

Economic value, simply put, is created when the price that consumers pay for products and services is higher than the cost of creating them. It has a measurable monetary value (Argandoña, 2011). Therefore, the individual creates economic value by performing their role as cost and time-efficient as possible while ensuring the quality of the service or product remains at the standard committed to.

Philosophical value may be defined as ethical behaviour towards the social spheres the organisation operates in and assuming a moral responsibility to the protection of the environment. The goal is to create a reputation for the organisation that is built on integrity and has a clear declaration of the core principles that guides the decision making and business of the organisation. Reputation, credibility and trust come at a cost, and if they are not upheld even once by the organisation, the cost must be deemed sunk and lost forever (Schilizzi, 2000). The individual creates philosophical value by acting within the prescribed value and ethics driven framework that the organisation has publicly committed to for its stakeholders.

Subjective value is the idea that every entity (individual or organisational) has their own desires for artefacts or actions. Economists use this term to interpret market behaviour. It is the notion that value is not inherent in things. This value depends solely on the perception, preference and experience of the entity who imputes the value. The process of considering the cost and benefits of making decisions towards fulfilling the entities' desires is central to human behaviour. As a prerequisite for human action, the prime mover is subjective valuation. Examples of the subjective characteristics used in ascribing value to an action or artefact can be beauty, uniqueness, truth, justice, utility, quality, timeliness, etc. (Encyclopedia.com, 2020). Individuals create subjective value by acting, within their role, in a manner that ascribes the characteristics that they deem to add value to that which they are doing on behalf of the organisation.

Objective value is also known as "Intrinsic value" (Audi, 2003). This value theory explains that the value of the artefact or action is not based on a subjective interpretation and is instead embedded within. This view is based on the intrinsic value of an artefact that is mainly brought about through the process of its creation and cost of the components used in its creation. It is valuable because of its uniqueness (Audi, 2003). Individuals ascribe objective value through the process that the artefact is created or the service is delivered. It is the resources (whether natural, or knowledge, or human resources) and how it is used within the process that is added together to impute the value to the end result.

2.2.3.2 Organisational level of value creation

The value creation process at the organisational level includes all actions that offer a higher degree of innovation and relevant advantages than what is currently available to the targeted end-user who shows a willingness to pay for this novel result of the actions taken (Lepak *et al.*, 2007).

Literature in the domain of strategic management, focusing on the dynamic capabilities, has revealed how organisations create value by observing the process of how organisations create new advantages while current ones are slowly becoming obsolete due to the changes in the business environment (Zollo & Winter, 2002).

It is however important when focusing on the dynamic capabilities of an organisation, that this not done in a vacuum. If an organisation only focuses on its own dynamic capabilities and intends to capitalise on them through the creation of new advantages for the targeted end-user, it may fail to take into consideration the values, perceptions, preferences of the target users and the substitutes available to them along with the setting in which the users are situated. Therefore, it is necessary to look at the value creation process through the stakeholder theory, as they are the end-users and this ensures the organisation does not become detached from the environment and towards where it is changing (Lepak *et al.*, 2007).

To ensure organisations stay up to date with the preferences and opinions of their stakeholders, the organisation must have sufficient and efficient internal systems that assist with knowledge creation and communication within the organisation. Research by Smith *et al.* (2005) revealed the social networks of organisational employees had a favourable link, with the potential to generate knowledge within the organisation and how this capability as a whole had a high correlation to organisational innovation. Social networks designed externally for the purpose of identification of user preferences regarding organisational actions demonstrate a greater capacity for creative and effective decision-making in servicing those stakeholder preferences.

The involvement of the organisation's management in the value creation process was studied very carefully by strategic human resource management researchers (Wright & McMahan, 1992). The findings of Wright and McMahan (1992) have shown the importance for the management of the organisation to emphasise value creation and to communicate to the employees how this is to be done and what each role contributes to the process. If this is not done and effectively measured or monitored, the theory will never translate into practice. Their research further found methods to develop the skills of an organisation’s employees and to stimulate them to strive in the advancement of organisational value creation. Kang *et al.* (2007) used this research to indicate that an organisation's ability to yield new and qualitative end-user experience is crucial to its long term success. This success relies on the organisation's ability to develop and utilise its employees' knowledge, which forms the foundation for key innovations that create value for relevant end-users and competitive advantage for the organisation.

Even though the targeted end-user is mainly customers, the focus can never be limited to customers. The organisation, therefore, has to take a broader approach in making provision for the interests of all its stakeholders. Some examples to illustrate this include being socially responsible in how the resources that are used are sourced and how waste is discarded, in only having partners and suppliers in the value chain that are ethical and adhere to the values of the organisation, in paying taxes and adhering to government regulations and investing in the development and well-being of its employees (Lepak *et al.*, 2007).

2.2.3.3 Interinstitutional level of value creation

No organisation functions in isolation, it forms part of a dynamic environment consisting of many “pockets” of interrelated webs of relationships. Each organisation forms part of a value chain, as Porter (1985) revealed, that consists of the necessary activities needed for the designing, producing, marketing, delivering and supporting of the product or service. These activities, even though being one process, are often done by more than one organisation due to the speciality or available resources needed for the activity. This leads to these different organisations being interdependent to ultimately realise the value being created. If these organisations manage to operate optimally in tandem, the sum value being realised is often more than each organisation could have realised on its own (Peppard & Rylander, 2006).

Just as an organisation functions within a value chain, it also functions within a value network that consists of the different stakeholders in its operations that have a role to play in the creation, evaluation, allocation and realisation of the value being created (Peppard & Rylander, 2006).

Value creation at the individual and organisational level is more controlled and deliberate, compared to the institutional level where organisations or entities can engage deliberately or unintentionally in creating value for both themselves and society at large (Lepak *et al.*, 2007).

Creating value at an individual level mainly requires innovation within the role and performance within the work role, at the organisational level it requires creativity and the promulgation of knowledge, and the institutional level it requires innovation and a vetted value network and value chain for co-creation (Lepak *et al.*, 2007).

The concept of value creation ultimately needs to end in a gain in the form of a monetary value. However, it is not just a linear straightforward process. This can be better understood by looking at examples of value being created on the three levels, discussed above, in Table 2-1 below.

2.2.4 Multiple level value creation

The following table (Table 2-1) was created from the research of Lepak *et al*. (2007), illustrating the different dimensions of value creation for each value creation level, with the annual report of the company Senwes (2019), which communicates how it created value for its stakeholders in the past financial year. This combination provides the opportunity to depict how the theory of value creation potentially translates to implementation by an organisation.

Table 2-1: Dimensions of value creation for stakeholders

DIMENSIONS OF VALUE CREATION FOR STAKEHOLDERS			
Level of value creation	**Stakeholders for whom value is created**	**Actions taken towards enabling value creation outcome**	**Possible outcome goals for measuring (capturing) the value created through the value creation process**
Interinstitutional Level	Shareholders & investors	Strategic resource utilisation Innovation New firm creation Competition Capital investments Incentives Laws and regulations Compliance Invention Innovation Research and development Knowledge creation Structure and social conditions Capability enhancement Motivation Training Relationship management	To generate sound returns for shareholders through sustainable capital growth and dividends.
	Clients & Customers		To be the preferred supplier of products and services to clients and customers in the business sector in which the organisation operates.
	Employees		To be an employer of choice that pays market related salaries whilst providing employees with the opportunity to realise their desired career paths at the organisation.
Organisational Level	Business partners		To be a business partner of choice by driving effective strategy execution and optimally leveraging critical mass, value synergies, operational efficiencies and other benefits to the long-term advantage of the organisation and its business partners.
	Suppliers		To be the preferred supplier of products and services to clients and customers in the business sector in which the organisation operates.
	Government & regulators		To be a responsible corporate citizen who is legally compliant, manages legal risks and maintains effective and efficient company administration processes, which enables the organisation to operate within the legislative parameters and to report to regulators on a continuous basis. To maintain a sound relationship with local, provincial and national regulators.
Individual Level	Community		To be a good corporate citizen who takes into account the welfare of the communities in the areas where the organisation operates
	Environment		To be a good corporate citizen who takes environmental issues into account and actively pursues minimising the environmental footprint and waste.

(Lepak *et al.*, 2007) (Senwes, 2019)

2.3 VALUE AND STAKEHOLDERS

2.3.1 Stakeholder Theory in value creation

Stakeholder theory can be encapsulated in the idea that in order to create value, the organisation must continuously satisfy major stakeholders over time. The organisation thus pursues a broader strategy-making approach that includes the expectations and demands of the different groups of stakeholders, in order to accomplish superior performance for the long term (Garriga, 2014).

Edward Freeman was the first to write a book on the topic of stakeholder theory, which centres on the morals and values of an organisation. Since then, the literature on stakeholder theory and sustainability theory has co-evolved to find its way from the textbooks into the corporate world. The most valuable contribution has been in helping organisations understand how value is perceived by and expected from the different stakeholders (Freeman, 2010).

Hörisch *et al.* (2014) illustrated how the creation of value had evolved over the years, from focusing on only one stakeholder to considering all stakeholders who are impacted both directly and indirectly by the decisions of the organisation. The rise of these theories provided a lens through which an organisation could be viewed to ascertain what the organisation was doing, for whom it was being done, how different options could be considered to solve problems and finally to contribute to creating value for those whose interests were being considered (Starik & Kanashiro, 2013).

The primary purpose for organisations, prior to and during the mid and late 1980s, was to create wealth for its shareholders through economic value in the form of a return on investment (Ayuso *et al.*, 2014). However, with the rise of a more consumer conscious environment, the developments in the literature of stakeholder and sustainable theories have forced organisations to move away from their sole pursuit of creating shareholder wealth for those at the top of the economic pyramid, to having a more holistic approach in creating value in the economic, environmental and social areas and thereby serving a much larger pool of stakeholder’s interests (Ayuso *et al.*, 2014)

Although this holistic approach, driven by the emergence of the above-mentioned theories, enables organisations to engage at a much broader level with its stakeholders and their needs, it has not been without its challenges. This new approach poses as many problems as opportunities, with serious constraints being implemented through the imposed corporate responsibility on issues relating to environmental resources and waste, as well as changing the way in which the organisation engages with its people, both internally and externally, to simultaneously protect the reputation of the organisation and enhance the brand (Ayuso *et al.*, 2014).

These restrictions have without doubt influenced the way in which organisations do business, for both the early and wilful adopters as well as the late and forced adopters, through compliance. This poses an equal amount of new opportunities to be competitive and sustainable in the volatile and product saturated economic age in which we live (Hillman & Keim, 2001).

Organisations with a good reputation in how it treats its people, both employees and customers, will undoubtedly attract the best employees, and through their interaction with customer's capture customer loyalty from other competitors, thereby ensuring a more sustainable future for the organisation and those whose needs it serves. Customers are willing to pay a premium if they know that the materials and resources the organisation utilises are sourced in a socially and environmentally responsible manner. For example, free trade products are generally more expensive but enable an organisation to not only create value, but also sustainable value through its interaction in the environmental, social and economic dimensions (Hillman & Keim, 2001).

Harrison and Wicks (2013) have shown that understanding how stakeholders perceive value is best explained as stakeholder welfare. Understanding this stakeholder welfare is central to understanding the organisations' value creation process. The reason being that when it comes to the decisions stakeholders make between different available opportunities to invest in, they choose the opportunities that ultimately lead to the highest gains for their welfare in the value creation process. Therefore, understanding how an organisation should approach stakeholders in the process of creating value is through identifying the opportunities that lead to the gains in stakeholder welfare, and subsequently manage the stakeholders based on how their decisions influence or are influenced by their welfare. This enables an organisation to be successful at value creation by increasing the welfare of the stakeholders.

Garriga (2014) defines stakeholders as “groups or individuals who contribute, whether substantially or not, to the value creation process of the business.” Using this definition, the value creation process could be understood as the organisation and its stakeholders working together to create value through their coordinated collaboration.

Prahalad and Ramaswamy (2004) developed a theory that describes this collaboration as the “co-creation” of value, through the emerging relationship between the organisation and its stakeholders. This theory of co-creation was later expanded by Sachs and Rühli (2011) who described the co-creation of value as happening through the process of two parties collaborating and interacting with each other to the benefit of each of those parties. A customer interacting with an organisation that leads to a transaction, is co-creating economic value. However, to create a sustainable form of value, the organisation needs to co-create with a heterogeneous set of stakeholders who operate and interact around a common purpose and values-based axis. So, if environmental and social sustainability is a value shared by both the organisation and its stakeholders, then they would negotiate and collaborate around this shared value in their interactions with each other.

This shift in emphasis from being company-centric to being customer or stakeholder-centric, along with the shift from being product-centric only to being more customer service-centric, has displayed the nature of the value creation process in moving to a form of co-creation through the mutual interaction between stakeholders and the organisation (Samant *et al.*, 2016). If organisations want to create a sustainable form of value, they need to collaborate and co-create with all stakeholders, from shareholders and employees to customers, suppliers, government, media and society as a whole (Samant *et al.*, 2016).

Stakeholder theory originated with an organisation’s values and morals at the centre of the interaction between the organisation and its stakeholders; this axis upon which the relationship is built allows the organisation-stakeholder relationships to co-create value around the mutually shared framework that dictates the direction and decisions of the organisational relationships (Freeman, 2010).

For years, corporate social responsibility (CSR) has been synonymous with stakeholder theory. Although it is not the main concern of the theory, it is however necessary to understand that stakeholder welfare, as a by-product of CSR, provides a framework for understanding value creation (Harrison *et al.,* 2010). Freeman (2010) further explains that the stakeholder theory in relation to value creation, is about "the organisation creating as much value as possible for all stakeholders." These activities through which value is created for stakeholders, and the ability to capture that value and measure it is still widely unknown and inconsistent as very little literature is available (Garriga, 2014).

There is an increasing acknowledgement that strategic integrated partnerships offer substantial opportunities for organisations to create competitive advantages and attain better outcomes in global business markets. Manufacturers have started reducing the number of companies in its distribution and supply network in many business environments and subsequently concentrate more on strong relationships with main vendors (Jensen, 2010); (Ulaga, 2003).

Organisations have to periodically assess their distribution and supply network to ascertain when they should invest in a vendor relationship, when to sustain and improve working relationships or when to withdraw from underachieving relationships (Ulaga, 2003).

2.4 CREATING VALUE

2.4.1 Value creation approaches

Due to the multifaceted way in which an organisation interacts with its stakeholders and because of the different expectations and interests of stakeholders with an organisation, there is no single way of creating value. Value creation is stakeholder specific and often ambiguous. Therefore, different value creation frameworks have been proposed that can be used as a guideline through which an organisation can direct its activities and decisions in serving its stakeholders. This section will look at some of the frameworks available.

2.4.1.1 Business models

A business model is a major value creator (Amit & Zott, 2010) and is defined as an activity structure that illustrates how an organisation goes about actually "doing business" with its clients, associates and dealers. These activities are carried out to meet the perceived market needs, and include the requirements of the parties involved in these activities and how they are connected.

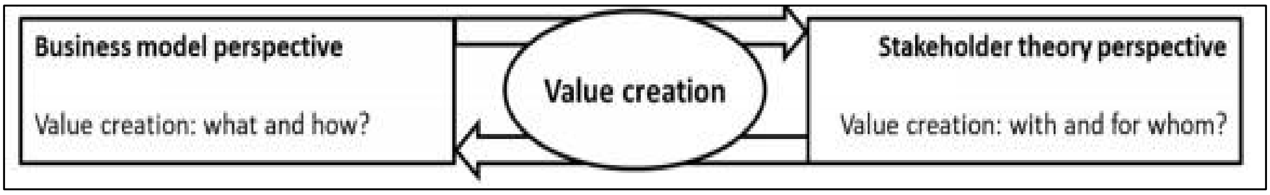
By having this holistic approach on how an organisation views the work being done, value creation is prioritised for all parties within the business model, which contrasts with a sole emphasis on value capture if only certain functions or utilities were focused on like products or processes (Amit & Zott, 2010).

A strong trend is that business model innovation is preferred over product or process innovation by most thriving and successful businesses. Business model innovation is much more likely to lead to product or process innovation, rather than the other way around. It is also a more sustainable approach for ensuring a competitive advantage for the long term, as your product is always one innovation away from being replaced (Amit & Zott, 2010).

The overarching goal of a business model for an organisation is to serve a perceived expectation to ultimately create value for the organisation and its associates. This organisational goal could be labelled as the value-creating value-vision on which the organisation rotates (Amit & Zott, 2010).

Business models are created and strategically managed for the purpose of long term value creation (Freudenreich *et al.*, 2019). Originally, the frameworks created by literature on business models as a source for value creation were proposed as a unidirectional flow from the organisation to the customers. Freudenreich *et al.* (2019) expanded on this by applying the stakeholder theory to provide a framework to explain how a multi-directional flow is indeed realistic, by detailing the stakeholder relationships as being recipients of value and co-creators of value in a mutually coordinated collaboration as the main value creation process (Freeman, 2010). This study’s findings further allude to how business models can be used to make provision for the different types of value expected from the stakeholders, and that is created both with and for them and leads to the resulting value portfolio.

Figure 2-2: Value creation through the Business model and Stakeholder theory perspective



(Freudenreich *et al.*, 2019)

In their flow chart, Freudenreich *et al.* (2019) illustrate how the value creation literature uses both the business model perspective and the stakeholder theory perspective (as a complementary perspective) to showcase the concept of value creation. This concept is better understood by firstly understanding the kind of value that is created, and through which activities and processes it is done (Massa *et al.*, 2017) and secondly, who the role-players are in the creation process and for which stakeholders that value is created (Freeman, 2010).

Using the stakeholder theory perspective along with the business model perspective, the broader economic, social and environmental dimensions can be taken into consideration in the value creation process and therefore ensuring a more sustainable form of value being pursued (Upward & Jones, 2016).

Freeman (2010) describes an organisation as a cluster of relationships that are key to its operational ability. These relationships are affected by and in turn affect the organisation as they offer resources and gain from the organisation's utilisation of those resources.

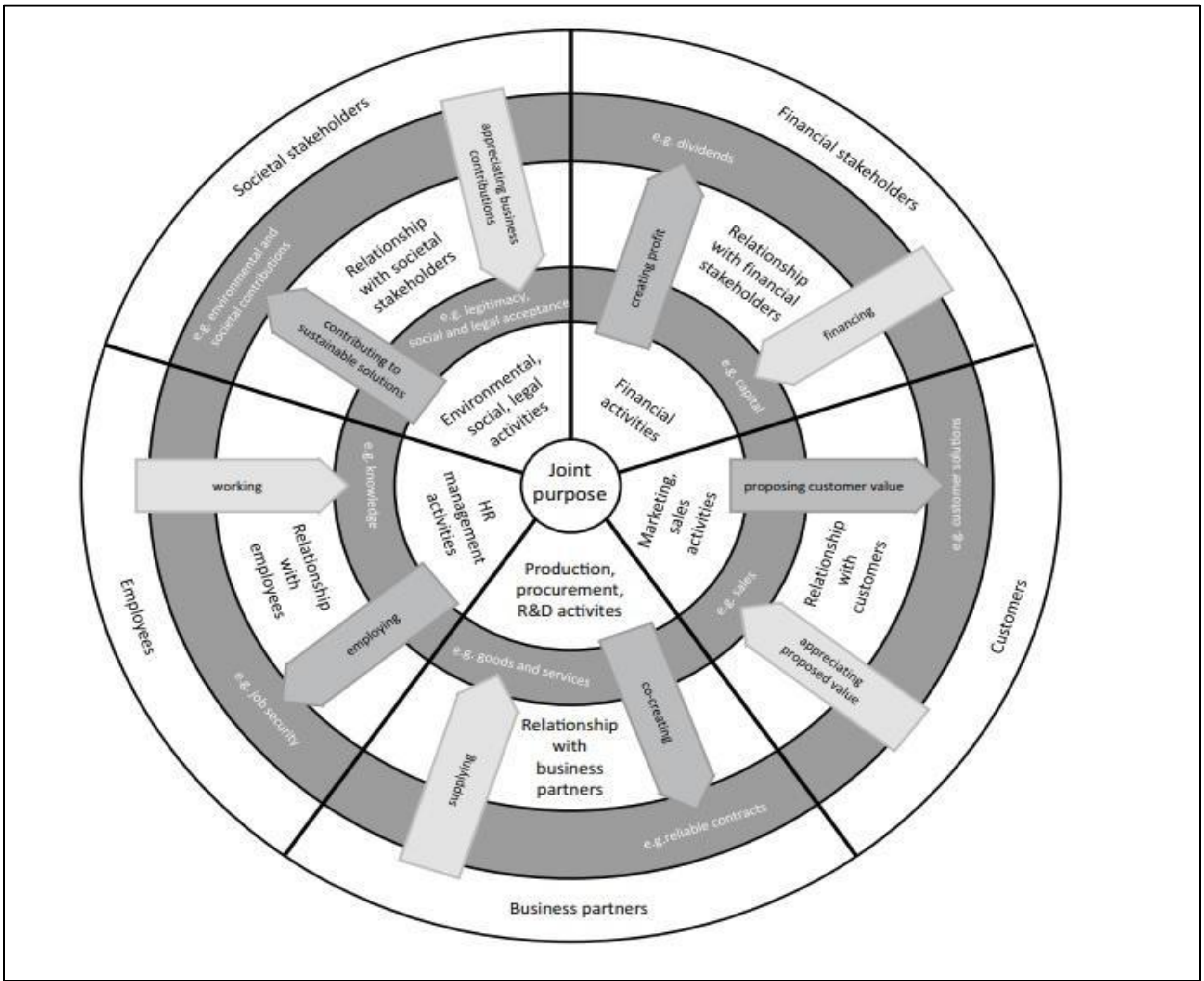
Haslam *et al.* (2015) apply the stakeholder theory perspective to conclude how these stakeholder relationships, in the course of business, are fundamental to the process for sustainable value creation. A business model explains the purpose of the organisation and the values it is built on and will apply in the pursuit of that purpose, and therefore provides a framework that illustrates how the organisation plans to interact with each stakeholder.

It is, therefore, unimaginable to apply a business model in the absence of a healthy stakeholder relationship structure. The business model provides the stakeholders with the incentive to engage with or disengage with the organisation based on a complementary purpose, centred around the organisations' values and morals, that motivates to actively form a relationship network and subsequently collaborate in co-creating value (Breuer & Lüdeke-Freund, 2017).

2.4.1.2 Relationship management

The figure depicted below illustrates the stakeholder perspective theory in the value creation process, as illustrated by Freudenreich *et al.* (2019). The figure shows who the stakeholders are in this process, what amounts to value in each relationship and how it is co-created with each stakeholder. This illustration depicts the multi-dimensional flow of value and also the interdependencies between the value network structure. This illustrates how value is different for each stakeholder, but within this network of individual unit's outcomes, as a whole, it creates a value portfolio by applying a business model. Both the organisation and each of its stakeholders are a recipient and a contributor of value; it further allows value to be depicted not only in economic terms but broader terms, such as social and environmental elements, as well as adding to the sustainability of the pursuit of value creation and ultimately competitive advantage.

Figure 2-3: The stakeholder value creation process according to Freudenreich *et al*. (2019)



Conflicting expectations within this relationship network

Schneider and Sachs (2017) used the stakeholder theory to understand how value is defined and interpreted between different stakeholder groups, how these differing definitions can cause tension between the stakeholder groups and how this tension can be mitigated or prevented by establishing a more inclusive and holistic stakeholder identity.

With such a diverse make-up of stakeholder relationship networks of an organisation, it is inevitable that competing and conflicting interests will exist, especially with each stakeholder having a different expectation from the organisation and a differing definition of what they deem to be valuable. For example, shareholders may have a high interest and expectation for short-term profits as opposed to conservationists who value decisions that protect the environment; both these stakeholders have a different definition of what a value-creating activity amounts to (Garriga, 2014).

It is therefore imperative that the organisation manage and coordinate these relationships, and assess the interests of each stakeholder so that they understand that the interconnectedness is, in fact, an interdependency on each other that requires a joint effort from each stakeholder to be able to create value and ultimately realise their value through the coordinated effort (Garriga, 2014).

Lado and Wilson (1994) found how the human resource component of the organisation, from the receptionist, to mid-level managers, to the executives with all their activities and efforts coordinated across the different organisational processes, will amount to the returns being the most profitable in the form of gains or surpluses.

The higher in the organisations' hierarchy, the larger the individual contribution in the form of decision making and other managerial actions that lead to future gains or losses in the form of value being created or lost due to the impact of the decisions for the stakeholders. Research by Bowman and Ambrosini (2000) showed how the Resource Base View (RBV) differentiates between value creation and value capture, where contributions lead to above-average returns if they can be measured and extracted from the resource provider.

The RBV theory was further developed by Freudenreich *et al.*, (2019) to recognise value creation and capture it and confirmed the finding that value creation is not a uniform process, but a collaborative attempt between stakeholders who are primarily responsible to create and negotiate the value that is being pursued around the same shared value proposition.

Even though the human capital component proved to be the resource that generated the highest long term return, it cannot be viewed or applied in isolation. An organisation has to rely on a combination of resources to achieve its targets and goals in value creation. The International Integrated Reporting Council (IIRC) identified six capitals used as inputs in the organisation's business model that increase, decrease or transform according to the organisation's activities undertaken in the utilisation of the resources. These six resources are Financial capital, Human capital, Intellectual capital, Manufacturing capital, Natural capital and Social/Relationship capital. These six capitals form the basis of value creation and are not independent of one another, even though certain dependencies may be small or indirect (Gleeson-White, 2015).

The business model can, therefore, be used alongside the RBV by capturing and communicating the value proposition, which then forms the axis for the shared value propositions around which the value is then pursued in a coordinated attempt between all the stakeholders within the value creation process.

2.4.1.3 Value management

Value-Based Management (VBM)

VBM is a systematic strategic management process aimed at aligning the organisations' strategy, systems, procedures, decision-making and its measurement of the organisational performance with value creation. VBM puts value creation at the centre of the organisation's strategy and has been proved to lead to increased organisational performance (Burkert & Lueg, 2013; Firk *et al.*, 2016). These advances in the research on management accounting ideally equip the management accountant with new tools, methods and frameworks for their role of providing insight and meaningful information on how an organisation creates value through its interactions with its stakeholders.

The VBM theory provides a framework that can be used by an organisation in the pursuit of utilising business strategies to pursue long term, sustainable value creation, by aligning the managerial activities of information management and resource distribution with that of creating value for stakeholders and developing systems that can be used to measure the performance of the contribution of each department, stakeholder and business decision.

Research by Ameels *et al.* (2002) illustrated how organisations have moved to a more integrated approach when it comes to value management and creation, by using a value-based management framework. It explains how it centres on a sequence of processes, containing certain activities or functions, which are used to create this framework. This framework is further discussed under section 6 of this chapter, relating to the role of the management accountant in measuring performance and capturing value.

Langfield-Smith (1997) found that accounting system design either promotes or inhibits the appropriation of certain organisational strategies. Managerial accounting and control systems are a crucial element in the organisations' ability to track value creation, which is influenced by and also influences the decision making in the pursuit of the organisations' strategy that will ultimately create the most value for the organisation and its stakeholders. Therefore a framework is crucial that can take both financial and non-financial data into consideration in pursuing the organisation strategy (Ittner & Larcker, 2003).

2.4.2 Stakeholders and the valuation of value

This study has already addressed the way in which value is created for stakeholders, but the question of how stakeholders decide to enter into a transaction or relationship with an organisation above another, still needs to be clarified.

In attempting to make sense of what guides the decision making of stakeholders in pursuing value created by an organisation or engaging in a value creation process, the utility function was proposed. The utility function aims to determine what the preferences of the stakeholder's are for different intangible and tangible outcomes from the actions taken by the organisation (Harrison *et al.*, 2010). This is done by seeking to understand what drives the utility of the stakeholder and what weight the stakeholder ascribes to each component that drives the utility.

Sen (2004) identified a few problems with the utility function and its apparent shortcomings. He argued that representing stakeholder welfare instead of stakeholder utility requires a more valuation-oriented philosophy. Sen (2004) articulated the main shortcomings by explaining that since the argument that utility seems to be the only root of value that depends on linking usefulness with welfare, it can be criticised on two main grounds. Firstly, the well-being may not be the only valuable thing in the motivation for the decision making of stakeholders and secondly, the utility does not truly represent stakeholder welfare.

In light of the problems faced in the utility function, Sen (2004) proposed a novel theory on stakeholder welfare called the capability approach, which was based on the notion of stakeholder capability. His method differs from other methods that centred mainly on stakeholder welfare by focusing on meeting needs, revenue, expenditure, usage and utility. By shifting the emphasis from utility to capability, this new framework makes provision for the apparent shortcomings experienced in the utility function.

The notion of stakeholder welfare is, therefore, better understood through the approach of Sen (2004) in terms of people's ability or capability to perform. This is illustrated by looking at the stakeholder's apparent opportunities to pursue the activities and behaviours in which they want to partake. The capability approach is based on valuation activity, which builds on the principle of agency and autonomy, and is recognised as having the propensity to devise objectives and values and to choose between different scenarios. The notion of agency highlights the importance of accomplishment in the welfare of the stakeholders in that devising objectives, providing the availability of many open options and selecting one option each has an inherent value above the welfare created by the consequences of the decision. Through this framework, the previous shortcomings found in the utility function are sufficiently eliminated and addressed.

The Stakeholder Capability, as proposed by Sen (2004), addresses two fundamental precepts that were not formerly regarded in the consideration of stakeholder behaviour. The first precept considers the inherent value of choice, and the second precept considers the quantum superposition's and dynamism of the preferences and expectations of the stakeholders.

The first precept, the inherent value of choice, suggests two forms of well-being on the choice of stakeholders. The first relates to setting different targets, and the second relates to choosing between the different alternatives. The Stakeholder capability framework recognises how stakeholders define what is important and how that is prioritised in their decision making. The framework, therefore, makes provision for where stakeholders commit to scenarios that both worsen or enhance their current and potential monetary or social position. In both scenarios, stakeholders choose between the different alternatives to determine their own targets or desired outcomes and then commit to these alternatives based on their personal principles or values that guide their decision making. It indicates an ethical aspect if ethics are understood as a means of prosperous human (or in this case specifically as a stakeholder) welfare (Garriga, 2014).

It is important that the ethical considerations of the stakeholders in their decision making, which are guided by principles or values, are compatible with those of the organisation as informed by the use of the business model perspective.

The second aspect relates to quantum superposition's and dynamism. The capability framework takes into account the individuals' current and future dynamism, illustrated as their ambitions and proclivity, and addresses what they really are and who they want to be or not. This framework emphasises the procedures, opportunities and prospects for the potential welfare of a stakeholder (Garriga, 2014).

The collaborative approach in which the stakeholders decide themselves on that which is important to them is an appropriate measure for identifying the capabilities of the stakeholders in each organisation's unique context (Garriga, 2014).

2.5 MANAGEMENT ACCOUNTING AND VALUE CREATION

There is increasing pressure around the world for entities of all forms, government agencies, public authorities, career paths and corporate organisations, to continue thriving in a changing global landscape. These entities' actions have to be more transparent and their decisions need to be more sensitive and accountable to the stakeholders whom they are serving and representing (Ovunda, 2015).

2.5.1 The evolution in the role of the management accountant

These changes in the global business landscape, driven primarily by the internet and technological advances, have changed the "rules" of the competition. This has led to the role of the management accountant to change as well. The speed of technological advances challenges the very core of the finance function. Management accountants now have to fulfil multiple demands and have a diverse cross-section of business skill sets to stay relevant, and effectively advise organisations in this high-paced business environment. The introduction to this change in management accounting is provided in section 1.1.3 of Chapter 1 in this study.

The following table illustrates the change in the management accounting skill requirements between 1960 (Kamal, 2015) and early 2000 (Ovunda, 2015).

Table 2-2: Desired Management Accounting skills

Desired Management Accounting skills

1960’s	2000’s
Manufacturing financial controls	Performance management
Internal administration	Asset management
Budget and variance analysis	Business management
Material resource planning	Environmental management
Planning and control activities	Financial management
Cost controls	Strategic management
Information provision	Information management
Waste reduction	Value creation

(Kamal, 2015)(Ovunda, 2015)

The table illustrates the manner in which management accounting has moved away from a pure control and accounting role to a more dynamic management role (Ovunda, 2015). The role has also shifted from a reactive functional approach (backwards-looking and analysing in nature), towards a proactive approach (more forward-looking and decision-making in nature) that has a professional role within the organisation (Kamal, 2015).

Intangible assets are increasingly becoming the most critical components of an organisation's long term success. Intangible assets can be described as the patents, reputation, expertise, brand, customer loyalty and people of an organisation. All of the aforementioned elements are extremely difficult to ascribe a value to. Amazon, for example, had a market value of $ 859 billion in October 2019 (YCharts, 2019) of which its brand value was valued at $ 315 billion at the time (Statista, 2019); this means approximately 37% of the market value of Amazon is due to its brand alone. Even though these elements can collectively be the most significant portion of the value ascribed to an organisation, most of them do not even appear on the balance sheet and yet they are imperative to an organisation’s continued success. The management accountant will continue to be solicitous on how an organisation’s tangible and intangible assets are valued and communicated (Baldvinsdottir *et al.*, 2010).

The management accountant is expected to ensure that strategies exist for developing and maintaining these assets and then coordinating the processes in doing so, while tracking performance against the planned strategy (Ovunda, 2015).

Management accountants are ideally prepared to meet these challenges faced by organisations through the knowledge and skills they possess, being equipped to operate as "professional multi-disciplined managers" across an organisation as they devise organisational strategies and manage the adoption and performance thereof to drive long term growth with greater value (Ovunda, 2015).

The traditional role of the management accountant made it impossible for organisations to capture value and emphasise value creation, as it conflicted with the role of pure cost control. By only focusing on the costs of creating a product or service and minimising those costs, the aim was simply to increase the profit percentage by minimising costs, rather than focusing on increasing it by maximising gains. The problem that arises from following this approach, is that instead of focusing on what the end-user desires in terms of the product or service and working backwards on how to increase the desirability of it; the focus is internally, on the product or service which is offered in the hope it is desirable to the market (McNair *et al.*, 2001).

In the early 1990's researchers introduced frameworks such as activity-based costing, which expanded the ability of an organisation to allocate costs to certain activities in a process by dividing those activities into value-added, non-value added and waste categories, and then trying to minimise the waste activities and move the non-value added activities up into the value-added activities (Morrow, 1992). This and other methodologies developed at the time provided a new approach to consider how and where organisations should spend their money to increase their value drivers and monitor their cost drivers more effectively. Even though this slightly improved the quality of the information used for decision making, it still did not consider the end-users' definition of value and only used the organisation's definition of value, which was generally only focused on profitability for shareholders. Since value creation is a process defined by the market and externally validated, this continuing internal emphasis limited the utility of information produced for purposes of strategic and operational decision making (McNair *et al.*, 2001).

2.5.2 The management accountant as role-player in the value creation process

In management accounting, a key issue is "managing" the different expectations of the stakeholders the organisation serves. Every decision an organisation makes in servicing an expectation has a cost to it. So even though the organisation and all its stakeholders are engaging in value creation activities, if the costs to perform those activities are more than the potential income generated from those activities, then the organisation is still operating at a loss, and even though the concept of value creation sounds grandiose, it needs to be grounded in reality and the costs and gains of the process need to be calculated (Shank *et al.*, 1993) (Mohamed & Jones, 2014).

This is why the role of the management accountant is so crucial in this process and why the role has evolved from an internally focused role to more of a "business partner" role, with the ability and skill to function in a position that understands the entire organisation's cost structure to do strategic cost management and understands the organisation's strategic position relative to the market so that the relationship between the costs and the value potential can be weighed in the short and long term in the decision-making process (McNair *et al.*, 2001) (Brands & Holtzblatt, 2015).

2.5.3 Value Creation Management

Most frameworks available to management accountants in managing the relationship between value and cost fail to capture the complexity of this relationship. To resolve this drawback, McNair *et al.* (2001) proposed a framework called Value Creation Management (VCM), which allows management accountants to link the relationship between cost and value in a way that allows them to assess multiple choices for the investment of resources in an organisation and to maximise the potential gains and reinforce its competitive market position.

Therefore, the role of the management accountant has become a vector of sorts, walking the line between the traditional "paper" role of cost accounting, drafting budgets, implementing controls and capturing value to make sure the numbers add up on paper and balance at the end of the day. There is also the added responsibility of managing the "people" component, both in a managerial capacity of managing the employees and stakeholder's interests, and as a resource for the organisation in understanding the role people have in either adding value or being the source of value in themselves. In bringing these elements together, the management accountant has to possess the skill to provide insight into how people create value and how that value can be captured through measuring their performance to be communicated on paper to those making the decisions for the organisation, or who expect results from the organisation. This new form that the role of the management accountant has assumed links these elements together and ultimately plays a crucial role in enabling the organisation to pursue value creation for its stakeholders (Cinquini & Tenucci, 2010) (Mohamed & Jones, 2014) (Malmi, 2016).

2.6 MANAGING THE MEASUREMENTS

The last theme to explore in what is required of a management accountant in the value creation process, is understanding how the outcome or performance of the value creation process is measured on both an organisational and individual level.

Performance measures within the management accountant's conventional role of implementing financial indicators to measure how a certain activity or function is performing has never been challenged. However, the increasing pressure of companies to communicate to all its stakeholders how the organisation is doing business, outside of only the financial information, has posed a much greater challenge in presenting performance measures for non-financial organisational activities (Ittner & Larcker, 2001) (Mohamed & Jones, 2014).

2.6.1 Performance measurement approaches

The dawn of the 21st century saw the conventional empirical research in management accounting on themes such as budgeting and financial control techniques, make way for studies with advanced theories and methods with the likes of activity-based costing, balanced scorecard, strategic accounting and performance measurements of added value (Ittner & Larcker, 2001).

These theories and methods have been integrated into the previously discussed framework under 2.4.1.3 of this chapter, referred to as the VBM framework, which is specifically focused on promoting value creation through the way the organisation does and approaches business with its stakeholders (Ittner & Larcker, 2001).

A tool such as VBM provides a conceptual framework whereby management accountants may identify, introduce and apply value-creating tactics within the organisation, and which provides the ability to track and coordinate management activities.

VBM's distinguishing trait is value-based indicators. These indicators, along with an associated series of interconnected value drivers, effectively replace the conventional accounting indicators that were used as the predominant performance indicators for the organisation. These value-based indicators offer an effective way of designing new organisation strategies, assigning the required resources and expertise for implementing the strategy and set measurable targets in the alignment of the organisation's goals by creating value for the organisation and its stakeholders (Omran *et al.*, 2002).

Research by Firk *et al.* (2016) found a reciprocal partnership exists between VBM and the financially driven and non-financial stakeholders through which a VBM approach has its greatest impact within this interconnectedness.

The dilemma of having multiple stakeholders with conflicting interests often complicates the concept of value creation and further highlights the necessity of value capture and performance measurement (Lepak *et al.*, 2007). This is where the organisation really requires the management accountant, as an aide-de-camp of sorts, to translate value creation from theory to practice.

2.6.2 Value capture approaches

Capturing value is not as simple as taking the gain that was realised from a specific action or artefact and putting it in the income statement or balance sheet. Value capture can only happen if the value creation process along with the contribution of each role-player is understood. If a gain was realised through the co-creation with another stakeholder, that gain most likely needs to be shared with the other party who helped create the value. If a gain was realised within an organisation, because of the collaboration of two or more departments, even though the organisation realises the entire gain, there is the internal competition of who is credited what percentage of the gain realised (Firk *et al.*, 2016).

To add more complexity, the process of realising a gain may have multiple layers. It may be that a certain activity initiated by the organisation increases the loyalty of its customers, and although this does not necessarily translate into an increase in sales, it does provide a hedge against new market entrants who wish to compete for the same customers in the future; therefore, the gain that was realised from the activity is intangible and in a sense, unmeasurable in the short term. This example highlights the importance of communication in the value creation process, because although everyone is willing to work together with the promise of value that will be realised, when that value is realised everyone who contributed wants to be rewarded. This competition element within the value creation process is only highlighted when that value has to be captured and communicated (Firk *et al.*, 2016).

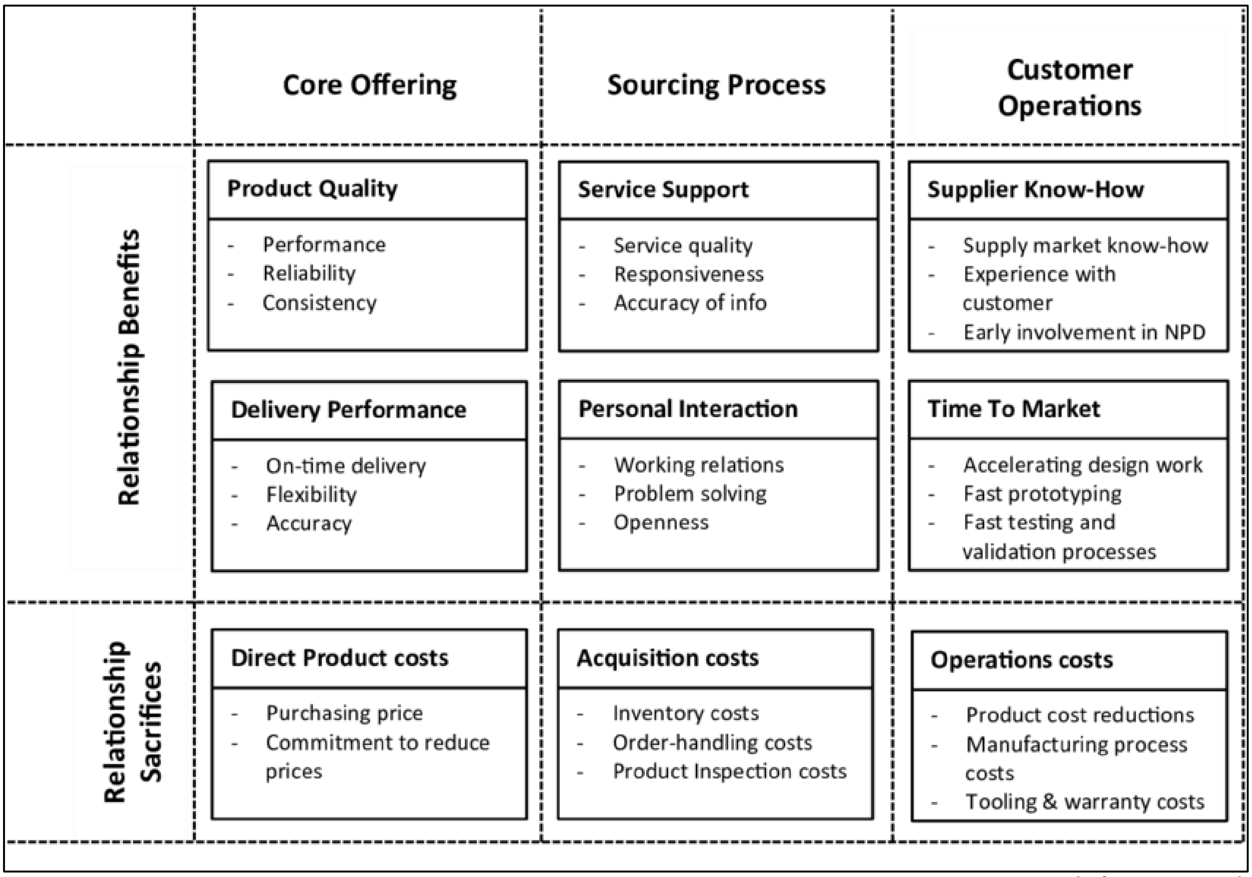
Using frameworks such as the VBM approach, the key is to identify value-based indicators and once these have been identified, value drivers are identified to attempt to capture how non-financial, but specifically stakeholder relational activities, are performing.

A great example is Möller and Törrönen (2003) who proposed a three-dimensional framework, which can be used to illustrate how the value in an organisational relationship can be captured along certain value drivers or performance metrics that are key for the success of the relationship in satisfying the mutual expectations. These three dimensions initially proposed for a customer-supplier relationship were the supplier's efficiency function, the effectiveness function and the network function.

The efficiency function relates to how efficiently the resources are applied within the relationship. The effectiveness depends on the ability of the supplier to create and generate solutions to offer customers more value than what is currently on offer. The network function ultimately considers the capacity for value creation throughout the larger network outside of the relational partnership between the supplier and the customer (Möller & Törrönen, 2003).

Ulaga (2003) expanded on the proposal made by Möller and Törrönen (2003) by using nine dimensions to measure value between manufacturer and supplier relationships, based on their research into the theory of value measurement. They did this by identifying relational value drivers that can indicate the performance of the specific relationship.

Figure 2-4: The nine dimensions of value drivers in a manufacturer-supplier relationship



(Ulaga, 2003)

By using a framework such as the one proposed by Möller and Törrönen (2003) and expanded on by Ulaga (2003), organisations can customise this table to each stakeholder relationship to identify the key value drivers that are necessary for each relationship. A distinction needs to be made between the stakeholders who have a financial incentive in the organisation, and those who have a non-financial incentive. Each of the relationships will have different value drivers and it is up to the organisation to identify which stakeholders are the most important and to find a solution on how to manage conflicting stakeholder expectations.

The stakeholder perspective theory in the value creation process, as illustrated by Freudenreich *et al.* (2019), is an excellent tool that can be used in the identification of the stakeholder, the value expected by that stakeholder, how that value is created and which drivers can be used in communicating that value for the organisation.

2.7 THE PERSONAL PERSPECTIVE

Even though this study alludes to the myriad of frameworks and methods that have become available to management accountants and how their role has evolved over the years, specifically in creating and capturing value, the aim of this study is not to give a definitive answer on how management accountants should create or capture value, but to try and showcase how challenging, ambiguous and even confusing this process is. The ultimate aim is to understand how management accountants view and navigate through this concept of value creation in general and in their organisational capacity to gauge if, how and why they engage in value-creating activities.

This study has already looked at how value creation is pursued on an individual level within the organisation and this, to a large extent, applies to the management accountant as an employee of the organisation. However, to gain a deeper understanding of the perception of a management accountant, one needs to consider what would incentivise the management accountant to engage in value creation activities and what would be enablers and limitations to pursue value creation.

One question to consider is, if the willingness to attempt to create value is dependent on a promised ability to capture the value? The reason for this question is, as mentioned earlier, not all activities result in the ability to capture the value and, if this lack of guarantee for a definitive outcome is not available, what incentive is needed for the management accountant to continue to pursue the value creation process?

Research by Argandoña (2011) aimed to understand the incentives that an individual looks for as the result for undertaking a certain action. The findings identified five main types of value an individual hope to realise for themselves that pre-emptively sheds light on what these reasons may be for the management accountant to engage in the value creation process. These are different from the value an individual hope to add to or realise for the organisation, as mentioned earlier in this chapter, as that value is for the organisation and this value is for the individual.

These five outcomes are:

1. Economic value: this is an extrinsic value in the form of financial remuneration for the effort invested on behalf of the organisation.
2. Intangible value: this is an extrinsic value in the form of recognition or further training provided by the organisation as an investment in the further effort of the individual for the organisation.
3. Psychological value: this is an intrinsic value in the form of personal satisfaction gained from the realisation of the output from the efforts invested in the action taken.
4. Intrinsic value: this value is generated within the individual in the form of gaining knowledge or capabilities through the course of engaging in a certain activity or action.
5. Transcendent value: this is a value in the form of evaluative learning. This is explained as the individuals' capability to consistently make conducive decisions that lead to behaviour that realises all of the types of value mentioned.

These incentives for engaging in certain activities and specifically investing in the value creation process, both formally as required by the organisation and measured through metrics such as KPI’s and informally through the behaviour of the individual within their personal capacity within this process, are important considerations in understanding the how a management accountant views the value creation process within the organisation.

These five incentives from Argandoña (2011) can be realised simultaneously or in different proportions in different phases, and therefore a combination of the incentives are generally preferred by the individuals pursuing them.

Schilizzi (2000) further emphasises the importance of considering the position of the individual within the organisation, and how the organisation makes provision for the realisation of all of the desired incentives that ultimately allows for the continuation of the desired behaviour from the individual to create value for the organisation.

Value creation, as an organisational activity, is only possible through the buy-in and encouragement of the managers of the organisation. It, therefore, needs to be considered whether a management accountant is functioning within an organisation where the top management leads with a directive of actively pursuing value creation through the supporting of innovation and initiative. The organisational communication structure is an important factor if it only follows a top-down or bottom-up approach. This structure will not allow for the collaboration and interaction necessary for effective value creation to take place between multiple stakeholders both within and outside of the organisation.

The stakeholder theory has been lauded for challenging the narrow perspective that suggests the primary aim of the organisation is to increase shareholder economic value (Freeman, 2010). The organisation's adoption of value creation as a directive creates new capacities for generating shared interest and sustaining the competitive advantage it garners.

However, as long as an organisation only emphasises economic value (or any just one form of value), it limits itself to a one-dimensional relationship that creates the potential for disputable circumstances for the methods by which the value has been captured and to whom it should be attributable. However, if an organisation pursues several types of value it provides the organisation with the ability to create both economic and non-economic value in a more sustained way by entering into strategic relationships with its stakeholders that may be direct or indirect, so all the stakeholders benefit from the value being created.

2.8 SUMMARY

Value creation is not merely a process of piling other types of value onto economic value and rebranding it as value creation, just as adding ethics to economic, political or environmental responsibilities does not equate corporate social responsibility. It does not come down to economic value creation being spread out to include all stakeholders, it is the taking of the concept of value and expanding it to provide access for other dimensions.

It is now possible to manage an organisation in a way that provides the ability to represent all the organisation's stakeholders, since the approach can be changed from competing for and sharing in finite resources, to creating value through interaction, collaboration and existing internal resources that allow all stakeholders to share in that value. Even though no single individual can create value for an organisation on their own, this literature review has illustrated that the role of the management accountant is an indispensable part of the process, which, if applied correctly, can help the organisation translate the plans on paper to practice and lead the people in the organisation through the value creation process to the desired performance.

CHAPTER 3 RESEARCH METHODOLOGY

3.1 INTRODUCTION

The aim of this chapter is to provide the layout of the research process by explaining how the research philosophy informs the subsequent steps taken in deciding upon the methodological considerations followed to conduct the research in an appropriate manner, and address the objectives pertaining to this research.

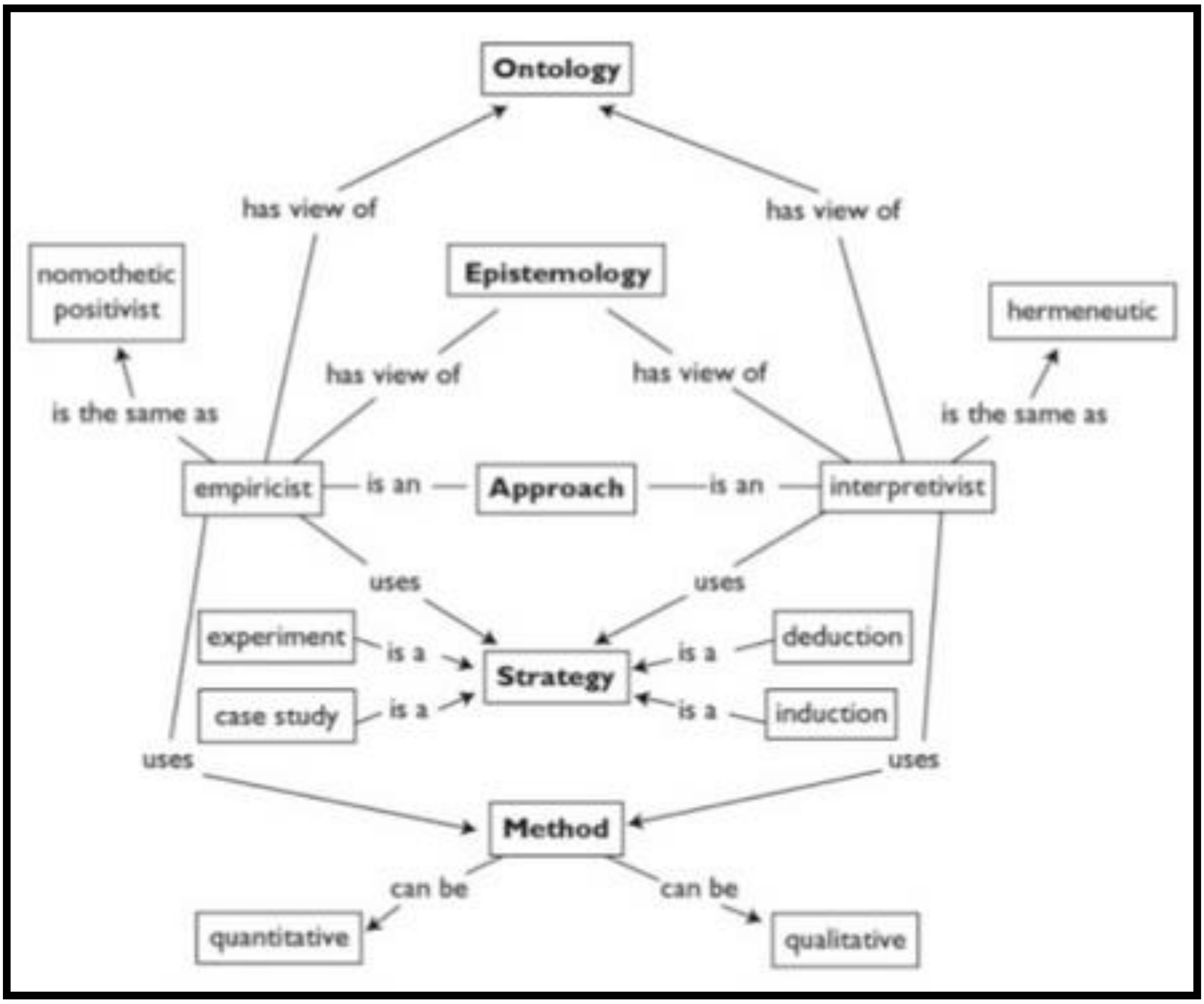
3.2 EMPIRICAL RESEARCH

The 21st-century business needs more than a positive balance sheet to attract investors and be competitive in its industry. Along with the change in the business environment, the management accountant, as a business partner, has different expectations and functions to realise and perform.

To gain more insight into the experience and perspectives of the management accountant, the research needs conducting in a manner that allows the researcher to gain knowledge and understanding about the context, which informs those experiences and perspectives of the management accountant. This chapter provides insight into the research tools used to conduct the research.

The following scheme in Figure 3-1 illustrates the relationship between the research philosophical tools and considerations to be discussed in this chapter.

Figure 3-1: Impact of research philosophy on the choice of research method



(Dudovskiy, 2016)

3.2.1 Paradigmatic assumptions and perspectives

Paradigmatic assumptions consist of ontological assumptions, epistemological assumptions and methodological assumptions. These assumptions allow the researcher to describe sufficiently the phenomenon under study. Every theory and research paradigm rests on certain assumptions that are necessary to make sense of the world around us (Nkwake, 2013).

Ontology involves the philosophy of reality, epistemology addresses how we come to know that reality and the methodology identifies the particular practices used to attain knowledge of this reality (Krauss, 2005).

3.2.2 Ontological assumptions

According to Vanson (2014), ontology is concerned with the question 'What is there?' while Wanderley and Cullen (2013) state that ontology is related to the status of reality. This might beg the question of how management accountant's view the world they operate in and what are their assumptions and perceptions of their workplace and their role and performance within the workplace.

Ontology has two main philosophies concerning reality, realism and relativism. Realism is the belief that a single truth exists, and reality is objective and may be measured objectively to make conclusions about that reality. Relativism is the belief that multiple realities (and, therefore, multiple versions of truth) exist that are shaped by the context within which that truth is observed (Killam, 2013).

The essence of reality for an individual is relativistic from an ontological point of view, and therefore requires interpretation by the researcher.

This study made a relativistic ontological assumption about the reality of the experiences and perception of the management accountant, which allowed the researcher to gain insight into the specific context of the individual.

3.2.3 Epistemological assumptions

According to Wanderley and Cullen (2013), epistemology is concerned with the nature of knowledge, relating to how it can be obtained and transmitted. It further explains the relationship that the researcher has with the research (Killam, 2013). Vanson (2014) explains that epistemology is concerned with the questions "What do you know?" and "How do you know it?".

The ontological belief of the researcher about reality dictates the epistemological assumption of the type of relationship the researcher will have with what is being studied (Killam, 2013).

There are many ideas about what constitutes knowledge and how to acquire it, but the most common forms of research deal with either empiricism or constructivism (Blair, 2016). Blair (2016) explains that empiricism is the belief that the gaining of knowledge is through experiences imparted through the senses, whereas, constructivism is the belief that the discovery of knowledge is through objective measures. The empiricist belief follows an emic approach through interacting with people to understand what truth means to them, whereas the constructivist belief follows an etic approach as a detached outsider looking in to objectively measure the truth (Killam, 2013).

From an epistemological approach, the researcher intended to interact with the participants of the research by following an emic approach to be able to draw conclusions from the knowledge about the experiences of the participants discovered through the interaction with them.

3.2.4 Research Approach

The determining of the research approach is by the ontological and epistemological assumptions made. The two main research approaches are a positivist approach or an interpretivist approach.

When differentiating between a positivist approach and an interpretivist approach, the following phrase captures the essence of the two approaches, “Positivists believe that society shapes individuals and uses quantitative research methods to remain detached, while interpretivists believe that individuals shape society and use qualitative research methods to interact with respondents” (Lin, 1998).

The "traditional" (positivist) view of science, with "objectivity" as one of the key notions that guaranteed the scientific status of knowledge, implies the researcher adopts the role of a detached observer (Dreyer, 1998).

According to the interpretivist approach, even though people may perceive the same 'objective reality,' their experiences are different due to each person being unique and intricate, and therefore have their own motivations for behaving and interacting within the universe in the way they choose. In this setting, the objective scientific approach is insufficient in providing insight into the thoughts and motivations of the people (Lin, 1998).

For the purpose of this study, an interpretivist approach will be followed, which calls for a qualitative approach to gathering the type of data that is required for the purposes of drawing meaningful conclusions from the perceptions and experiences of the management accountants who are participants in the research.

3.2.5 Research Strategy

Based on the research approach, there are subsequently two main research strategies to choose from, a deductive approach or an inductive approach. A deductive approach concerns formulating a hypothesis based on established theory and then involves developing a plan to test this hypothesis. A deductive approach correlates with quantitative research (Hyde, 2000).

According to Thomas (2006), an inductive approach is a systematic procedure for analysing qualitative data, where the analysis is guided by research objectives. This procedure starts with observations about the phenomena under study, and based upon the patterns, regularities or resemblances observed in experiences, there are conclusions made or a theory proposed.

An appropriate research strategy, based on the aforementioned research philosophy choices and approach taken, is the induction research strategy. An inductive approach taken by the researcher will allow for the necessary observations through the data collection and interpretation process to make meaningful conclusions regarding the experiences and perceptions of the management accountant's partaking in the study.

3.3 RESEARCH METHODOLOGY AND DESIGN

3.3.1 Research Methodology

Methodologies suggest ways and criteria for acquiring and judging knowledge (Blair, 2016). Method suggests what you will use to gather information, whereas the "ology" part suggest why your method will work. Methodology and method are used interchangeably, but they are not the same thing (Blair, 2016). According to Carter and Little (2007), method is a general framework guiding the research to determine how the methodology is to be carried out, whereas Blair (2016) states methods are the techniques and strategies that allow researchers to collect evidence.

Blair (2016) considers a few questions to describe what methodology is; she states the choice of a methodology starts by asking, "What do I want to know?" In this case, we want to know how management accountant's view value creation and how do they navigate the dualities within their role.

By asking, "Do we know something because we observed it?" this study serves to gain insight into the thoughts, experiences and perceptions of management accountants. Due to the subjectivity of these experiences, this observation will be through the knowledge gained in the interaction with the participants.

The final question to consider, according to Blair (2016), is to ask, "Do we know something because we deduced it through logic?" The answer to that question will be "no," as an inductive strategy needs to be followed, it will not be possible to gain the necessary insight into these experiences through logical deduction.

The methodology of the research allows for the collection and assessment of the required knowledge and determines what type of data is required for the research to provide credible and reliable information from which there can be conclusions made about the context of the research. The two main types of data available for collection, are quantitative data and qualitative data (Taylor *et al.*, 2015).

To put it plainly, quantitative data infers numerical information and is therefore mainly expressed as statistical data, whereas qualitative data is descriptive in nature and relates to phenomena being studied, such as behaviour or language, that may be perceived, but not necessarily measured (Taylor *et al.*, 2015).

This study requires the collection of qualitative data as the phenomena does not allow for concise measurements, but rather for observations through the interaction with the participants from which there will be meaningful conclusions induced about the perceptions and experiences.

The following table in Figure 3-2 illustrates the fundamental differences between a qualitative and quantitative data collection method.

Figure 3-2: Differences in qualitative and quantitative data

	Qualitative	Quantitative
Conceptual	Concerned with understanding human behaviour from the informant's perspective	Concerned with discovering facts about social phenomena
	Assumes dynamic and negotiated reality	Assumes fixed and measurable reality
Methodological	Data are collected through participant observation, interviews and questionnaires	Data are collected through measuring things
	Data are analaysed by themes from descriptions by informants	Data are analsyed through numerical comparisons and statistical inferences
	Data are reported in the language of the informant	Data are reported through statistical analysis

(Minichiello *et al.*, 1990)

3.3.2 Research Design

The research design is a road map for what needs doing, and how to do it. The design of the research can be categorised into one of two groups: exploratory or conclusive (Dudovskiy, 2016). Conclusive research is used for gaining decisive answers to particular issues, whereas, exploratory research is used to obtain insights and intends to discover particular aspects of the topic of investigation. There are no final or definitive answers for research questions in exploratory research (Dudovskiy, 2016).

A good amount of research exists on the topics of “value” and “value creation,” and even though research has been done on the theoretical prescribed role of management accountants and how it should translate to practice, little to no information could be found on how management accountant’s experience and perceive the prescribed role of “value enablers” or “value creators” within vastly different industries, contexts and job descriptions.

Is it possible to propose or prescribe a certain theory or function and assume it is translatable to every situation or role in which a management accountant could find themselves? Due to value creation being such an ambiguous concept, and due to the vastly different ways of understanding it and applying it, it is a topic worth exploring to gain insight on how a singular theory is understood, and applied differently in practice.

This study is, therefore, exploratory in nature to provide a flexible approach for the collection of the qualitative data, and any surfacing aspects can be considered in understanding the unique or shared experiences and perspectives of the participating management accountants.

Even though this research mentions, explains and refers to many different theories and frameworks, specifically relating to value creation and management accounting, the aim is not to test, expand on or prove or disprove these theories. These theories are included in this research to provide the context and setting that is required to provide a better understanding of the domain of management accounting concerning value creation at the time of this research.

3.4 METHOD

3.4.1 Method of data collection

This research study makes use of a literature review, as described in Chapter 2, which provides the context for the main themes and underlying principles this study addresses and used to develop the questionnaire. Chapter 2 discussed the main themes of value, value creation, stakeholders and value capture and performance to provide a preliminary understanding of how each theme relates to the theoretical role of the management accountant.

The following Table 3-1 illustrates the link between each of the main themes and the relevant section within the questionnaire to show how each question links to the desired outcome of assessing the perceptions of the respondent's relating to each theme.

Table 3-1: Thematic analysis of the emerging themes identified

THEMATIC ANALYSIS OF THE EMERGING THEMES IDENTIFIED			
Main Theme Identified	**Sub category of the main theme being explored**	**Question number**	**Description of how the theme is explored through the questions**
CURRENT CONTEXT			Understand the environmental and contextual considerations that inform the setting, experience and perception of the management accountant.
	The current position held within the organisation	1	Provide insight into how the participant fits into the organisation. Many management accountants upon graduating don't start outright in a role with the job title of "management accountant". Due to the versatility of the qualification, a broad spectrum of entry-level roles provides the foundational experience to "move up in their career" to ultimately hold the job title as a management accountant. This question provides insight into that foundational level role held by the management accountant that has informed their experience with the rest of the questions.
	The academic background	2	Provides insight into the academic qualifications held by the participant to confirm if they are academically qualified as a management accountant. It is also necessary to make the distinction between being qualified as a management accountant and having the job title of management accountant. Management accountants have a broad set of business skills that enable them to function in a myriad of roles, therefore, a management accountant is referred to as one on the basis of their qualification, rather than the formal title of their current job.

	The job title as a management accountant	3	This question assists with providing context on the formal role held by the participant, if the formal organisational ascribed role is that of “management accountant”.
	Duration of experience	4 & 5	This provides insight into the period of being in practice since graduating along with the period of exposure to the current work setting. The total work experience will vary between zero and six years, this is due to the requirement that needs the participant’s to have been formally exposed to the theory through their management accounting studies that was only possible from the year 2015. This requirement is further necessary as the theory, rather than the experience, needs to provide the foundational understanding of value creation for this study.
	Industry currently functioning in	6	The industry informs the type of work that is being done which translates down to the duties of the individual. This provides insight into the broader environment the participant operates in.
	The level of function within the organisation	7	Management accountant’s generally function on one of 3 main levels. Operational, managerial and strategic (CIMA, 2019). These levels also generally reflect the career level progression and each level comes with different functions and roles within the value creation process.
	A description of the duties	8	This description provides understanding of what is done on a day-to-day basis and allows insight into the foundational skills that are currently being exercised.

VALUE CREATION			Understand the participant's grasp, understanding and perception of the theme of value creation. These questions allow only for the individual perceptions of the participants, irrespective of what their external environment ascribes or measures.
	Introduction to the concept of value creation	9	It is necessary to determine if the participant has had formal exposure to the theory of value creation and if so, how were they exposed to the theory. The theory of value creation underpins the ability to knowingly and intentionally engage in the process of value creation.
	Understanding of the concept of value creation	10	This question aims to gauge how the participant interprets the concept of "value creation" in their own words. All of the participants would have had similar theoretical exposure to the concept, but how it is then conceptualised and understood, is also then worth comparing between the participants.
	Applying the concept of value creation	11	Based on the theoretical foundation and their interpretation of value creation, does the participant think they are creating value according to their own opinion of their work.
	Explaining the way in which value is created	12	This question requires of the participant to explain how, in their role, they believe they are creating value practically. It allows for a pattern to be made in how the same theoretical starting point for each of the different participants, may translate to differences in practical application.
	Categorising the value being created between: -Economic value	13	The previous questions required from the participant to give their own definition of value creation and answer the proceeding questions based on that definition and understanding of the concept of value creation. This question expands on the previous questions concerning value creation, by providing the respondent with a choice of four main types of value and their

	-Philosophical value -Subjective value -Objective value		definitions which the respondent has to then select from to indicate which of those types of value they are currently adding. This question also allows for patterns to be drawn between this answer and the previous answers to see how they correlate or to what category most of their own definitions provided are limited.
	Any further contribution	23	This is the final question and provides the participant with the opportunity to add any other personal thoughts, perspectives or insights on the theme of value creation after they completed the questionnaire and had been challenged on the different themes explored throughout the questionnaire.
STAKEHOLDERS			Organisations should be creating value for all their stakeholders, however, it is uncertain how management accountants believe they are contributing on an individual level to the value creation process in such a way that the contribution can be potentially traced to the stakeholder who will be the beneficiary of the value being created by the organisation.
	Possibility of linking own contribution to stakeholder(s)	14	This question gauges the management accountants perceived contribution towards the stakeholders to be beneficiaries of the potential advantage being created.
	Creating value for stakeholders	15	This question requires from the management accountant to explain how they believe they are practically creating value for the different stakeholders. It further requires from them to be able to explain if their contribution within the organisation can be linked to the stakeholders who are recipients of that value, outside of the organisation.

PERFORMANCE			The management accountant's contribution within the organisation, needs to be measured, both by the individual as well the organisation. There is a difference between value capture and performance measurement. This theme explores how the management accountant realistically measures their contribution being made and also what the attitude is of both the management accountant and the organisation towards performing within the role and also towards value creation.
	Capturing the value created	16	This question gauges the ability for the management accountant to create value in a way that it can be objectively verified or concretely communicated to be more than just theory or personal perception.
	Motivation for maximising efforts	17	The motivation to create value can be either internal or external, this question gauges the potential motivators that may lead the individual to do more than they are currently doing within their role.
	Future return on personal investment	18	The ability to create value is dependent on the capabilities of the individual. The ability to continue creating value as the individual progresses through their career, is dependent on the individual learning new skills that may increase the potential contribution to be made by the individual. This question provides the ability to draw patterns between different individuals and attitudes towards value creation.
	Measuring performance	19	The organisation prioritises the expected contributions from and communicates its expectations of the individual through the use of different performance measurement tools. This questions ascertains whether those exist for the individual.

	Organisational approach to value creation	20	Gauges whether value creation is something that is emphasised or communicated by the organisation as an expectation from the individual or is it something that is voluntarily or implicitly done by the individual. This question provides for the ability to draw correlations between this and earlier questions to determine whether the organisations attitude towards value creation, impact the willingness or ability of the individual to create value.
	Attitude towards innovation and value creation	21	How does the individual view their potential to add more value than is currently being done or take initiative within their role to find innovative ways to have a larger contribution.
	Is innovation realistic in their current role	22	Is the individual able to implement the potential ideas they have for creating more value or are there constraints or limitations on that which might be possible.

The empirical research, through the collection of qualitative data, addressed in this chapter follows the literature study in Chapter 2.

There are different tools available to a researcher to collect qualitative data about the research topic. The most common qualitative data collection tools are questionnaires, interviews, focus groups, observations, ethnography and action research (Tesch, 2013).

After considering the different tools available, along with the apparent constraints of time, geographical location, access and availability of participants, the qualitative questionnaire offered the best data collection ability.

A qualitative questionnaire allows for a group of people to be studied through the collection and analysis of data from only a few individuals whose results are used to gain insight into the experiences of the group (Brace, 2018).

The qualitative questionnaire provides access to a higher number of potential research participants than what would have been available in using a data collection tool such as an interview, while asking the same questions. The tool can be used quickly, efficiently and inexpensively to allow the researcher to obtain high-quality data. The incentive to use this method to collect qualitative data will undoubtedly increase with greater availability of internet access and use (Meho, 2006).

The versatility of the tool (questionnaire model) is important as it allows the researcher to use combinations of open-ended and closed-ended questions, along with follow-up questions focused on the pre-determined themes. This qualitative questionnaire model allows the management accountant participants the opportunity to think and share their feelings or experiences on the different themes explored through the questions (Meho, 2006).

The qualitative questionnaire makes sufficient provision for the human aspect and provides the researcher with valuable insights about the way the management accountant participants perceive their work that might not be as thoughtful in an interview where externalities are at play at the time of the interview, such as taking place at an inconvenient time, or social pressure to impress, or not risk exploring certain thoughts (Brace, 2018). A smaller population will be more appropriate as the aim is not to generalise but receive detailed information, rather than quantitative information.

The use of a qualitative questionnaire in this study is not new to management accounting research, as the research of Abdel-Kader and Luther (2008) and Parker and Northcott (2016) shows. In the field of accounting, Lukka and Vinnari (2014) encourage the collection of the life experiences of the actors under research. They explain that the overarching aim is to understand and illustrate the how and why of actions performed in the manner they are carried out, along with the processes and frameworks that are involved, and how the actors' lived experiences inform their thinking and views on certain issues. The qualitative questionnaire allows for the gaining of understanding about the management accountants in question, as proven in the aforementioned research.

This study uses a qualitative questionnaire, specifically designed for this study, to gather the qualitative empirical data to provide insight into the perspective and experience of the management accountant in navigating the ambiguities within their role of what is prescribed in theory and what is expected in practice, and how they then measure their own performance or contribution to the value creation process in adding, creating or capturing value for the organisation and its stakeholders.

3.4.2 Instrument for data collection

A questionnaire is a qualitative tool that is an effective way to assess the behaviours, attitudes, perspectives and motivations of the population group without any direct influence from the researcher or external pressure during the collection of the data from the respondents (Brace, 2018).

The questions asked in the questionnaire (see Appendix I) are based on the themes identified and discussed in Chapter 2 of this study. Their design is to fulfil the research objectives of the study, with questions that gauge the management accountant’s perception of the identified themes of value, value creation, stakeholders, personal motivation to engage in value creation, views about their performance and value capture measurement.

The questionnaire comprises 23 questions in total. In consideration of the nature of the interaction between the researcher and respondent, it is more fruitful to ask fewer and shorter questions and receive a more meaningful response than providing the potential respondent with too many questions that may prove to be discouraging due to a too lengthy questionnaire and ultimately not receiving a proper response (Sudman & Bradburn, 1973).

The questions in the survey questionnaire have a logical flow from simple closed-ended questions, progressively moving to open-ended or follow up questions on a previous direct question that would be more open-ended or ask for an explanation. The required answers to the questions are also a mixture between multiple-choice, short or one-worded answers and longer explanatory answers.

Although not formally divided into different sections, the grouping of the questions in the survey questionnaire are under the aforementioned four overarching themes, as illustrated in Table 3-1.

The first theme, "The current context of the management accountant" is comprised of eight questions. These questions confirm if the respondent meets the prescribed criteria to qualify as a participant of the study and provides further insight into the industry, the role held by the participant and the functions or roles of the selected participants in the organisation.

The second theme, which focuses on "The participants understanding of the concept of value creation" spans questions 9 to 13, and asks if the respondent is creating value, how it is being created and what type of value is being created.

The third theme addresses "The stakeholders" and questions 14 and 15 ascertain if the respondents believe that the stakeholders are the beneficiaries of the value being created and if so, in what way it is being done.

The final theme, "The perceptions of performance" are questions 16 to 22, which gauge the respondent's perspective on value capture, performance measurement on both a personal and organisational level and about the motivation or incentive currently available for the participant, and if the organisation emphasises value creation as these are determining factors for the attitude towards the concept of value creation.

Value creation occurs mainly on an individual, organisational and inter-organisational level, and this questionnaire gauges the participant's perspective, if this is the case in their setting, and assesses both the organisation and the participant's attitude towards value creation and if it is possible for the participant to practically find a way of applying the prescribed theory within their day-to-day role.

The last question of the survey questionnaire was voluntary, and asked for any additional insights from the respondents on the topic of value creation and provides an additional opportunity for the respondents to share their thoughts.

Each of the participants received the questionnaire by email for completion via the Google forms platform, which allowed for user-friendly instructions and convenience in completing the questionnaire. This provided the added benefit of not allowing participants to submit their answers unless they had answered all the questions. The Google forms platform also enabled easier processing of the answers in Chapter 4 and for more readily identification of trends and patterns.

The benefits of emailing the questionnaire include (Brace, 2018):

- The respondent can complete the questionnaire at an appropriate time without inconvenient pressure that would be present if it were an interview;
- The quality of the answers will be higher as there is no time limit pressure on completing the questions and respondents can take time to revisit a question at their own convenience;
- It is less time consuming and inconvenient for both the researcher and the respondent;
- The accessible population is higher and therefore a larger sample group was possible.

The disadvantages of emailing the questionnaire include (Brace, 2018):

- Without the pressure of a formal interview at a given time and place, the potential for non-responders increases; however, by using the questionnaire format rather than the interview format, the researcher hopes the added access to the population will offset the number of non-respondents.
- If a respondent potentially misunderstands a question there is no one present to explain it, however, this also eliminates the possibility of the interviewer leading the question in such a way as to get a desired response from the respondent.

3.4.3 Validation of the questionnaire

In the creation of the questionnaire, it was crucial to ensure the relationship and interaction with the participants, through the invitation to partake in the study and through the questions they would encounter in the questionnaire, be built on trustworthiness and credibility to provide the opportunity to express themselves freely through their answers. This was achieved through personal engagement through the invitation to participate to provide authenticity and show empathy with the participants' worlds.

There was great care taken in the framing of each question to ensure the correct understanding, they did not "lead" the participants to potentially wanted answers by the researcher, and they were scientifically grounded in the research done in Chapter 2 of this study.

The North-West University Research Ethics Committee approved the research questionnaire, which validated the integrity of the content and considered the potential ethical risk for the respondents.

After the approval of the questionnaire, a pilot study was undertaken involving university colleagues and a known associate employed in practice to ascertain:

- the potential initial response of the participants to the questionnaire;
- whether the content of the questionnaire was sufficiently clear and the terminology used is understandable;
- to determine the workability of the proposed method of data analysis for the study;
- if the design of the survey questionnaire was satisfactory and if the answers proved consistent in way of interpreting the question;
- if the time needed to complete the questionnaire was appropriate.

The outcome and feedback received from the pilot study was satisfactory, and the proposed format most convenient for the respondents was to design the questionnaire on Google forms and email it with a standard introductory letter providing context for the research being done and an invitation for the potential participant to become a participant in the study.

3.4.4 Ethical Considerations

The best way to understand the concept of "ethics" is to explain it in terms of behavioural standards, or standards of conduct that differentiate between that which is acceptable and unacceptable in guiding the way in which a person interacts with the world around them (Resnik, 2015).

Commitment to ethical standards for research is essential, since these standards promote the research aims, such as knowledge and truth, while proactively impeding the fabrication of fake or fallacious data for the aims of the research (Resnik, 2015).

Ethics in research infers a responsibility upon the researcher to act in the best interest of all who participate in the research, or who are influenced or impacted in the process of or in the publication of the research (Resnik, 2015).

Researchers must consider the ethical problems that might arise throughout their research as data from and about human beings is collected. Researchers should be responsible for safeguarding their research participants, developing credibility with them, facilitating research integrity and shielding against possible malpractice and misconduct. It is also important that researchers protect the institutions or establishments they represent in the course of their research, as any decision or action from the researcher reflects on their institution (Resnik, 2015).

The researcher must further ensure the information provided by the respondent is kept confidential and that the respondent is informed from the start as to what the information will be used for, and the confidentiality of the answers be honoured.

The format of the questionnaire is therefore ideal for studying topics that require a personal perspective, or revealing of thoughts or motivations, as respondents tend to be more forthright if they know their answer is not personally recognisable. The confidentiality of the questionnaire should further reduce the potential for any harm that might be suffered whether emotional or psychological, such as embarrassment (Brace, 2018).

Before answering the questionnaire, participants received all the information relating to the study to give informed consent and be mindful that, during the research, they have the right to rescind their given answers as long as publication of the research has not occurred.

The conducting of this research will be under the guidance of the North-West University and will comply with the prescriptions of the relevant Ethics Committee at the North-West University.

3.4.5 Motivation for the selection criteria of the population

The Chartered Institute of Management Accountants (CIMA) is the world's largest professional body of management accountants. CIMA has a specific syllabus comprising of different role-related levels, that if completed along with the relevant working experience, the CIMA member receives a globally recognised Chartered Global Management Accountant (CGMA) designation.

As value creation in the role of the management accountant is emphasised as a theoretical concept within the CIMA syllabus, this is a necessary requirement for a management accountant to have, being formally exposed to the concept in theory, to understand the concept of its application in practice.

The 2015 CIMA professional qualification syllabus (CIMA, 2015) states the following, "..The syllabus and related assessment will ensure that CIMA qualified finance professionals are competent in their accounting, finance and other skills, and confident in using them to add value to the many organisations in which they work."

In the 2019 CIMA professional qualification syllabus, "value creation" was included as a formally assessed topic for the first time in the history of the syllabus (CIMA, 2019).

There was no mention of the theme of value creation found in any CIMA syllabus pre-dating the 2015 syllabus.

As the CIMA syllabus changes every four years, and participants of this study needed formal theoretical exposure to the concept of value creation, they needed to have completed the 2015 CIMA syllabus or be busy with the 2019 CIMA syllabus.

All the management accounting honours programmes offered by accredited tertiary academic institutions in South Africa cover the CIMA professional syllabus in the honours programme. By having completed an honours degree in management accounting from one of the academic institutions, guarantees that all those graduates, even though they studied at different institutions, have the same formal theoretical exposure to the same syllabus.

In light of the above, the non-random criteria that needed meeting by the participants for inclusion in the study were:

1. Completed an honours degree in management accounting in the last 5 years, or at least passed the CIMA management case study (if a different academic route was followed) as this guarantees the required academic exposure on the themes of this research as presented by the CIMA syllabus.
2. Must be employed based on having studied towards becoming a management accountant, even though the occupational role within the given industry might not explicitly be named as such.

Following this criterion ensures the optimisation of the study's external and internal validity, the improvement in the study's efficacy and the potential for ethical issues greatly reduced. In particular, strong selection criteria will ensure the sample population’s homogeneity, which significantly reduces the potential for misunderstandings in the interpretation of the survey and increases the likelihood for trends in the interpretation of the results (Salkind, 2010).

3.4.6 Population of the study

The population of the study is those management accountants who meet the outlined criteria. This population was hard to access as there is no publicly available information on where management accountants are employed in South Africa.

3.4.7 Sample size of the population

The portion of the population studied is the sample of the population used (Krejcie & Morgan, 1970). For researchers, sampling is fundamental to assessing the success of a study in achieving its objectives and requires continuous review throughout the study (O’reilly & Parker, 2013). In conducting qualitative research, the selection of participants for the study cannot adopt the quantitative sampling process because the intent is not to quantify perceptions or persons, but to explore the unique views and expressions on the issue (O’reilly & Parker, 2013).

Adequacy and appropriateness are the two critical components which direct the sample size in qualitative research (Morse & Field, 1995). The appropriate sample size is, therefore, one that addresses the research objectives adequately. The researcher should, therefore, be realistic and versatile in his approach to sampling (O'reilly & Parker, 2013).

Qualitative research accentuates the originality of information when it comes to sampling, therefore supposition is not intended by researchers and the emphasis is less on sample size and more on sample adequacy (Bowen, 2008).

Qualitative sampling concentrates on small sample sizes in order to extract rich information, which provides a good understanding of the phenomena being studied (O'reilly & Parker, 2013).

In the field of management accounting, Lukka and Vinnari (2014) encourage the creation of thick interpretations based on the realities of the experiences of the people being researched. Therefore, a rich explanation of how and why certain decisions and behaviours occur in different environments, provides exposure to the "inner workings" of the persons in question (O'reilly & Parker, 2013).

This study, therefore, continuously assessed the quality of the answers provided by the participants throughout the data collection phase to gauge the adequacy and appropriateness of the sample size. Ultimately, the sample size was finalised at 30 respondents, as the quality of the answers and insights provided sufficiently satisfied the research objectives and no new patterns or insights were forthcoming. This sample size sufficiency is supported by other comparable qualitative research done in accounting through studies such as those of Kamal *et al.* (2015) and Conway *et al.* (2015) to support the level of "saturation" for this study. Further research by Caine (2016) showed how 70% of the published qualitative studies they studied had less than 30 participants, which further supports the sufficiency of sample size for this study.

3.4.8 Sampling technique

Management accountants currently in practice received the survey questionnaire. The selection of participants was according to the selection criterion. Non-probability sampling methods selected the participants; this method selects participants for a study based on non-random criteria. As this study follows an exploratory and qualitative approach, this type of sampling is appropriate as it allows for the forming of an initial understanding of a smaller group, rather than testing a theory on a vast population (Parker & Northcott, 2016).

The two types of non-probability sampling methods used were purposive sampling and snowball sampling.

Purposive sampling is the researcher using their acumen in purposefully selecting a sample most suitable for the research. This method of sampling is particularly useful if the researcher needs to know more about a particular phenomenon instead of making quantitative deductions (Parker & Northcott, 2016).

It was hard to gain access to the population required for this study, so the researcher had to make use of snowball sampling, whereby the recruiting of participants was through the help of other participants to ensure the sample was sufficiently representative to provide adequate information to draw meaningful conclusions about the population in question.

The qualitative questionnaire provided the means to reach more participants as the feedback indicated the need to continue identifying respondents until there was validation of the 30 respondents' answers, as mentioned above.

3.5 SUMMARY

The aim of this chapter was to provide insight into the research methodology followed for this study, and the tools, methods and process utilised. The insights gained through Chapter 2, were used to identify the relevant themes used in the creation of the questionnaire to be able to compare the practical experience of the management accountants with the theoretical prescriptions, and followed an inductive approach to making conclusions from the collected qualitative data.

The primary purpose of this questionnaire design was to provide insight into the perceptions and experiences of management accountants in how they understand and approach the concept of value creation, both inwardly and outwardly, and to provide the opportunity for the researcher to determine if there are correlations or patterns in the shared experiences of the participants that can be used to make meaningful conclusions about how the same theoretical foundation is applied in vastly different roles, occupational settings and industries.

CHAPTER 4 RESEARCH RESULTS AND ANALYSIS

4.1 INTRODUCTION

The data gathering for this research used a qualitative questionnaire, sent to each of the participants through the Google Forms platform. This allowed the participants to complete the questionnaire at a time and place that suited them and to then submit their answers once they were finished. This chapter holds the empirical analyses of each of the questions and their answers as a collective under the four main themes identified in Chapter 3. Different data presentation tools, such as graphs, tables, and a word cloud, assisted with the interpretation, discussion and communication of the results. The results will be summarised under the headings of the different categorical themes to assist in a structured interpretation of the questionnaire.

4.2 CHARACTERISTICS OF RESPONDENTS

The geographical representation of the respondents was predominantly from Gauteng Province with 53%, followed by both the Western Cape and the North-West with 20%, and finally both the Free State and Namibia with 3% of the respondents.

The gender profile of the respondents consisted out of 73% being male and 27% being females, with the average age of the respondents at 24 years and 10 months.

This demographic profile indicates the perspectives shared from the respondents within this study, were from a diverse demographic profile with a homogenous academic foundation. The experiences of each individual in their workplace is unique and contributes to the insights gained through the empirical analysis of the respondents' submissions.

4.3 EMPIRICAL ANALYSIS

4.3.1 Current Context of the Management Accountant

This is the first category of the questionnaire and consists of eight questions. The purpose of this section is to provide the necessary contextual information on the management accountant at the time of the response to gain understanding into the environment and background that informs his/her experience and determines the perspectives held on the different themes discussed in the questionnaire.

Aside from a similar academic or theoretical experience and foundation, the management accountant's function varies in vastly different industries, organisations and roles. This category provides insight into the "starting point" of management accountants' careers, and the application of their common theoretical foundation in their different settings.

4.3.1.1 Name of the position held in the organisation (Question 1)

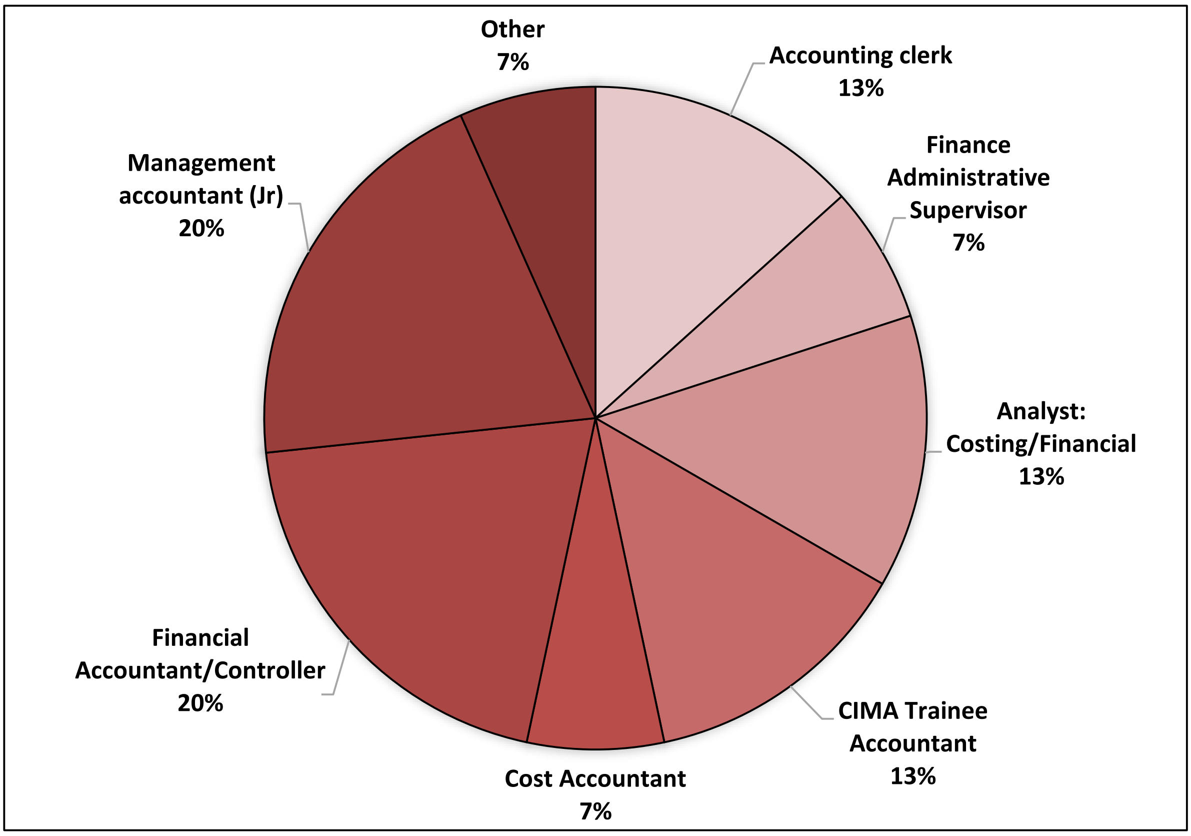
The grounding of a management accountant's academic foundation is in financial literacy. This provides the management accountant graduate with different entry-level opportunities in different organisations, which allows them to apply their financial literacy in the required role and setting as per the organisation needs.

Figure 4-1 indicates the percentage proportions of the roles held by the respondents.

The two most common positions held by the management accountant respondents were Junior Management Accountant (20%) and Financial Accountant/Controller (20%). The second most common groups were positions of Accounting Clerk (13%), Analyst, (whether banking, costing or financial) (13%), and CIMA Trainee Accountant (13%). The last group were Finance Administrative Supervisors (7%) and Others (7%), which consisted of financial positions that were not repeated among the respondents, such as Tax Consultant and Project coordinator.

Most of the respondents (73%), held positions related directly to the traditional description of management accountant, the other positions (17%) related to financial accounting roles. The management accounting degree is a very versatile degree and adapted to fit into most financial roles in any organisation.

Figure 4-1: Name of the position held in the organisation



4.3.1.2 Academic background of the respondents (Question 2)

A necessary requirement for the sample population was they had to have had formal exposure to the CIMA syllabus that lays the academic foundation for the theory of value creation. This question required the respondents to select the academic qualifications they currently possessed from the checklist provided.

The list gave five options for the respondents to select all those that apply:

- Bachelor's degree in management accountancy/cost accounting/accounting
- Honours degree in management accountancy/cost accounting/accounting
- I have passed my management level case study with CIMA
- I have passed my strategic level case study with CIMA
- Other (asked to describe the qualification)

These questions enabled the researcher to confirm if the respondent qualified for the research based on the academic requirement. It also allowed for comparison of the academic backgrounds, and ascertain the theoretical foundation of each of the respondents.

All the respondents had an Honours degree in management accountancy/cost accounting/accounting; 29 had an Honours degree in management accountancy specifically, and one respondent had an Honours degree in financial accounting, but was pursuing his CIMA studies through the CIMA Gateway route that allows for members of other accounting regulatory bodies to also pursue the Chartered Global Management Accountant (CGMA) designation.

Therefore, all of the respondents qualified as participants for this research topic. Additionally, 20 of the 30 respondents (66.67%) had passed their CIMA management case study at the time of the research.

4.3.1.3 The formal job title as management accountant (Question 3)

Due to the versatility and pliability of the skills of a management accountant, it was necessary to distinguish between being employed based on being qualified as a management accountant, and working with the title as “management accountant.”

This question provided insight into the formal title designation of management accountant at the organisation in which the respondent worked.

Forty percent of the respondents were employed with the title of “management accountant,” the rest were working under other financial related titles that still utilised the skills of a management accountant, but were not necessarily formally named as such.

4.3.1.4 The duration of employment (Questions 4 & 5)

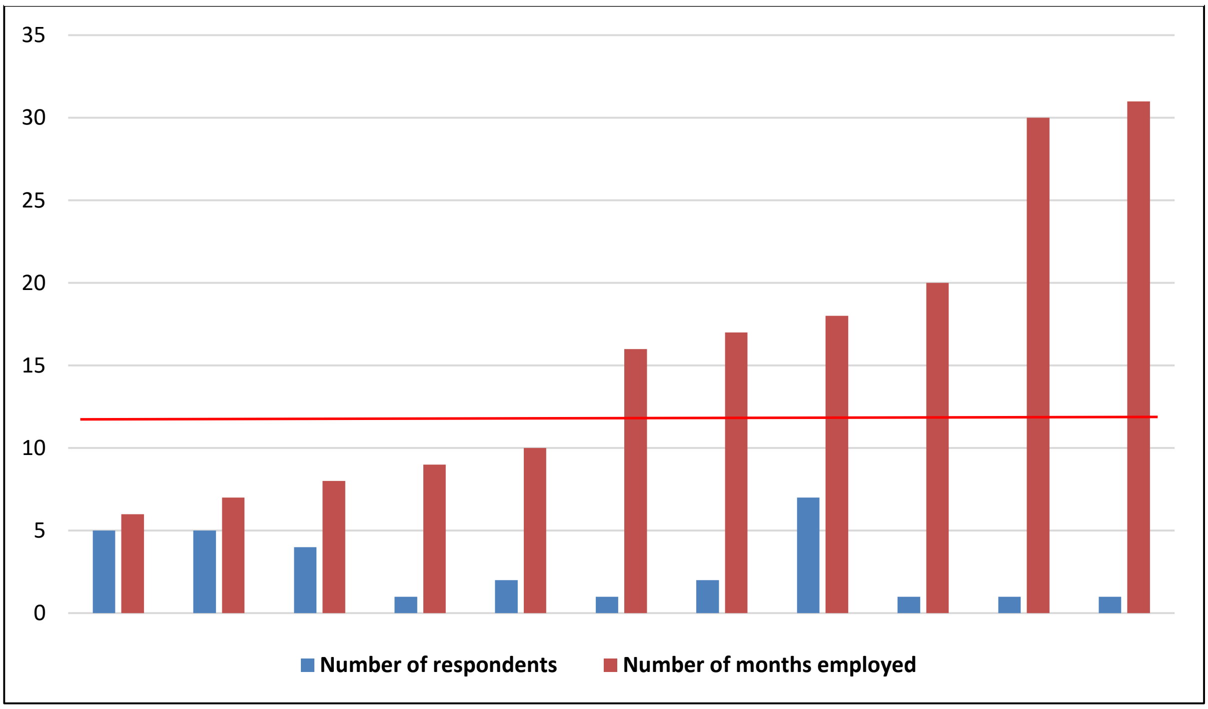
The academic requirement for the respondents meant they all had to have graduated in the last 5 years at the time of the research. This meant the duration of employment could not exceed this time, and was why most of the respondents had entry level or junior positions at the time of the research.

Question 4 asked how long the respondents had worked at their current organisation, and question 5 asked how long they had been employed in total. Due to the similarity in the answers to the two questions, with the latter being more important, emphasis was on the answers to question 5, which looks at the total duration of employment.

Figure 4-2 indicates the number of respondents and their time of employment in months. The average time of employment at their current employer at the time of the research, was 11 months, with the average total time of employment being 13 months (indicated by the red horizontal line on the graph).

The shortest duration of employment was 6 months, with the longest duration of employment being 31 months, with the largest grouping being seven respondents at 18 months.

Figure 4-2: Total length of employment in months

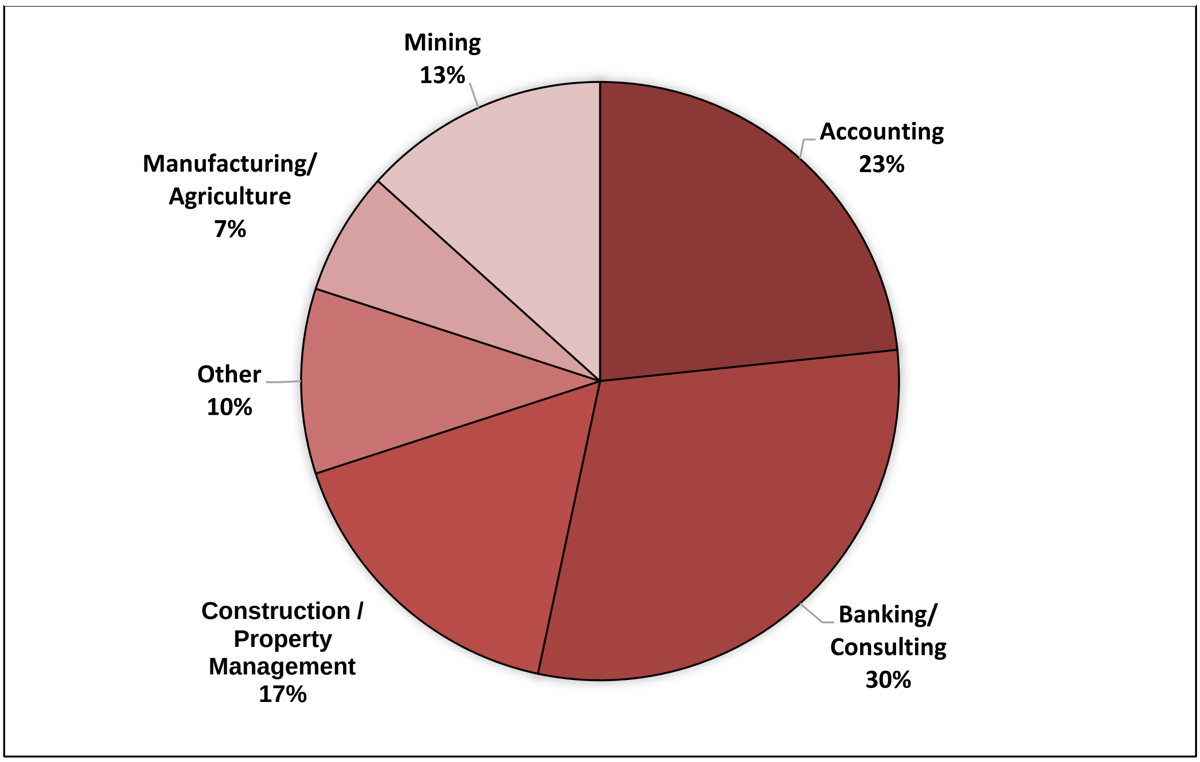


4.3.1.5 The industry currently functioning in (Question 6)

This question provides insight into the primary industry in which the organisation operates, where the management accountant works. It allows for the provision of a generalised idea of the types of stakeholders involved in that industry and allows comparisons to be made later about the attitude of the different organisations in the respective industries.

Figure 4-3 illustrates the three main industries are Banking/Consulting (30%), Accounting (23%), and Construction/Property management (17%), which collectively make up 70% of the industries in which the respondents function. The remaining 30% of the industries are Mining (13%), Other (10%) made up of Education, Logistics and Oil/Fuel, and lastly, Manufacturing/Agriculture representing (7%) of the industries.

Figure 4-3: The industry currently functioning in



4.3.1.6 The level of functioning within the organisation (Question 7)

The structure of the CIMA syllabus is divided into three levels, which coincide with the three general levels that a management accountant would progress through in their career. The first is the operational level; this level predominantly requires more technically financial knowledge and skills.

The second level is the managerial level, and this level generally has the management accountant leading a team within the organisation. This level introduces greater impactful decision-making responsibility within the organisation and therefore the financial skills required are more of an interpretive than a technical nature.

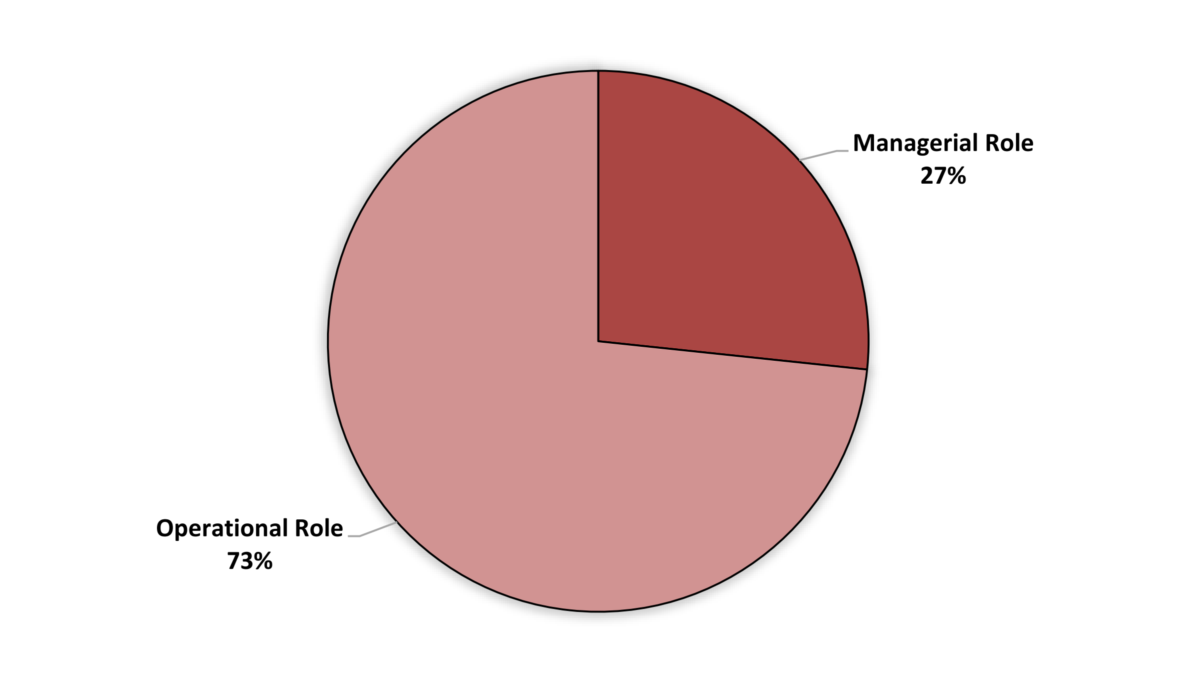
The final level is the strategic level. This level is usually in the top tier of the organisational structure, where the responsibility is of a strategic nature and the decisions made directly impact the direction of the organisation. Here the management accountant might lead an entire department or division within the organisation and the skills required are much more reliant on the long-term decision-making ability of the individual, where there is consideration of both the internal and the external information in the decision and recommendation processes.

This question provides insight into what level the respondent functions on within the organisation, and therefore suggests what type of responsibilities and skills of the management accountant might be emphasised.

Figure 4-4 indicates the respondents only function on two levels of the possible three within the organisation, being 73% on the operational level and 27% on the managerial level.

This graph is comparable to the answers to questions 4 and 5, which indicates all the respondents are still at the beginning stages of their career as a management accountant. We would potentially only begin to see respondents on a strategic level in the organisation from around 10 years of experience and up.

Figure 4-4: The level of functioning within the organisation



4.3.1.7 The description of the duties of the respondents (Question 8)

This final question to the first category looks to see what the main requirements and expectations are from the respondents in the roles they currently hold. Due to the respondents in this research predominantly functioning on a technical level, the expectation is that most of the duties they list would be of a technical nature.

Each respondent supplied a list of his/her duties. These duties included, but were not limited to, doing tax calculations and tax preparations, reconciliations, preparing financial statements, developing and maintaining cost models, variance analysis, budgets and forecasts, operational performance report compilations, management report compilations, internal auditing, financial model preparation, data analysis, automation of financial report processes, cloud-based accounting systems set-up and client portfolio management.

These answers confirm that the operational level most of the respondent's function on, emphasises the technical skills the most for the financial roles they hold.

4.3.2 Value Creation

This is the second category and consists of five questions. The purpose of this section is to gain understanding about how the concept of value creation is understood and applied by the respondents by having the questions focus on: 1) the theoretical introduction to the concept of value creation; 2) the hypothetical understanding of creating value in the role of a management accountant; 3) if the respondent believes they are currently creating value for the organisation within their role; 4) how they believe they are creating value within their role; 5) the different types of value being created by the management accountants in their role.

4.3.2.1 The theory of value creation (Question 9)

This question asked if the respondents had received an introduction to the theory of value creation. If so, when was the first time?

The purpose of this question was to confirm if the theoretical and academic foundation of the respondent was in line with the requirement for this study, and to compare the respondents' answers to each other to confirm the commonality in the origin of their understanding of the concept.

All the respondents confirmed they were familiar with the concept of value creation, and that they were formally exposed to the concept for the first time during their tertiary studies. This confirms that all the participants had a homogenous academic and theoretic foundation, which will make the different interpretations and the applications of the theory in their role and environment more insightful.

4.3.2.2 The understanding of the participant of what it means to create value within the role of the management accountant (Question 10)

With the backdrop of the same academic and theoretical starting point, this question provides insight into how the individual understands the process of how a management accountant creates value within an organisation.

Some key phrases or terms worth highlighting from the respondent's answers:

".. Efficiency, effectiveness and innovation."

“.. Ensure effective decisions lead to enhanced value in the organisation.”

“.. Identify opportunities in the market or within the organisation to capitalise on.”

“.. Bring new knowledge to the organisation to create value.”

“Produce useful information relating to the situation the organisation is in and use it to make better decisions on all levels of function for the organisation.”

“.. To provide information that is useful for better decision making.”

“.. Management accountant’s ability to identify needs and analyse available information provides the ability to create value that means the organisation and its people or the situation is in a better position after the management accountant intervened or contributed.”

“Value creation… is being able to contribute to more efficient operations of your team and in these times - especially the automation of time consuming manual processes.”

“Creation of value in the context of a management accountant means that the management accountant should provide information which is tailored to the needs of the relevant parties, to enable the business to capitalise on opportunities available. The management accountant should also act as the link, which brings all the parties in the value chain together to enable collaboration and to leverage off the mixture of knowledge. “

“To ensure that every part of the supply chain, relevant to this specific organisation, is effectively and efficiently managed so that all relevant stakeholders' interest is taken into account. This means formulating the vision, mission and objectives of the organisation in such a manner that all stakeholder interests are taken into account. Goal congruence can then be achieved - which will create value for all stakeholders. - This idea has a lot of merit - although I deem it a bit too idealistic and too unrealistic to really achieve. “

Most of the answers approached the concept of value creation through an economic lens. This is in line with the fact that the majority of the respondent’s function on an operational level within the organisation. Due to the technical skills that are emphasised on this level, the expectation is that due to their current expectations in the workplace, this would be the interpretation and potential application of value creation.

There was also a lot of consensus among most of the answers that information management is a key element for the ability to create value, as the quality of the decision-making ability is entirely reliant on the quality of the information.

The last answer highlighted above captures the key problem identified for this study; the fact that even though value creation is definable from a theoretical starting point, it does not translate straightforwardly to the reality of the working place and therefore it may even be deemed “too idealistic” or “too unrealistic.”

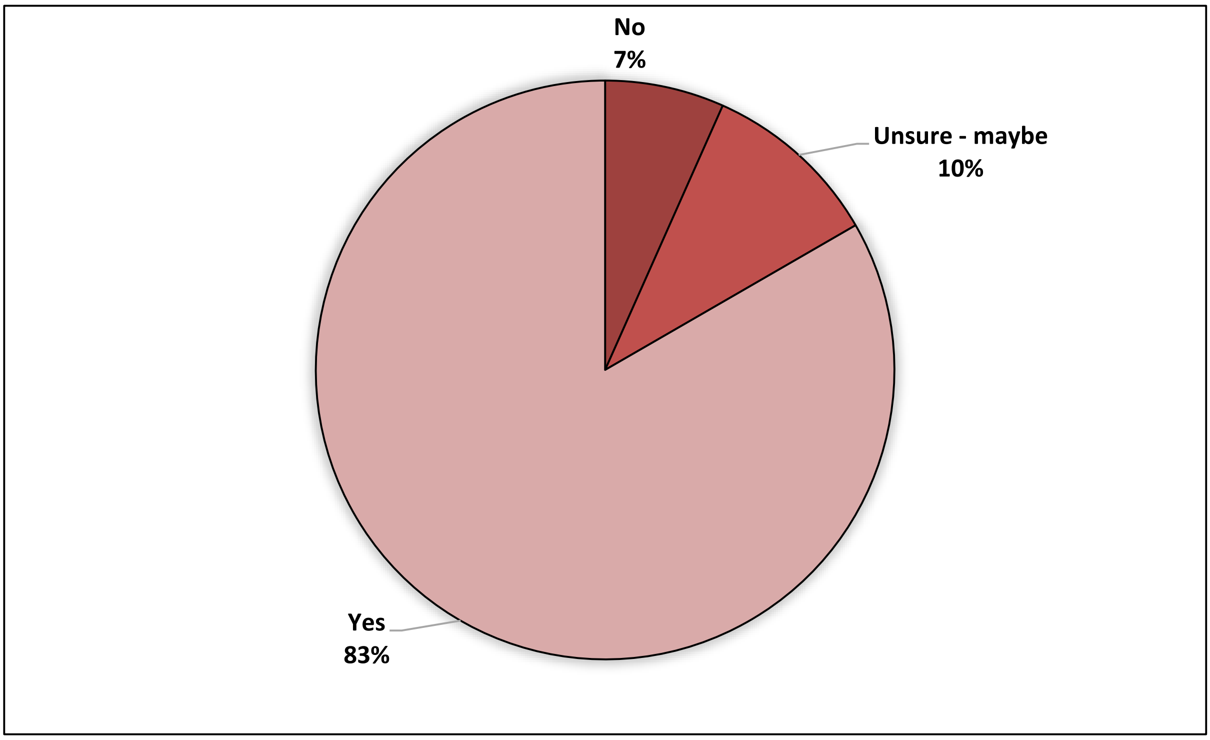
4.3.2.3 Does the participant believe they are currently creating value for the organisation within their role (Question 11)?

The previously question asked how a management accountant creates value within their role; with this follow-up question, the respondent is asked to measure it against their own role whether they think they are currently creating value with a short answer of yes/no or unsure/maybe.

This question was a starting point for the next question, which required the respondent to elaborate on this answer by explaining how it translates to the ability to creating value within their role.

Figure 4-5 illustrates the answers from the respondents in one of the three categories; 83% of the respondents answered “Yes” they believe they are creating value for the organisation within their role, 7% answered “No” they do not think they are creating value for the organisation and 10% were “Unsure-Maybe.”

Figure 4-5: The respondent's belief of whether they are creating value for the organisation within their role



4.3.2.4 How does the participant believe they are currently creating value for the organisation within their role, or then if not, why not? (Question 12)

This question requires the respondents to elaborate on their answer to the previous question, by requiring of them to apply the theory of value creation to their own role by explaining in what ways they believe they are creating value using their own definition and understanding of value creation.

Some key phrases or terms, which are worth highlighting from the respondent's answers.

For those who said "Yes" to the previous question, examples of how they create value include:

- "I'm adding value by sharing life experiences and lessons with fellow employers that will hopefully assist them in their personal lives and adding value to the company by delivering a job that was entrusted upon me."

- “Managing costs and implementing cost saving initiatives so that a higher profit can be made.”
- “I believe I create value through reporting accurately and timely in order to enhance decision-making. I am part of the decision-making process and my inputs regularly align with the end goal. I also add value through assuring our quality is always of the highest standards.”
- “All my costing models was Excel based, by "automating" these by making use of a Database and SQL. That enabled me to spend more time on the customer and managing their expectations, where in the past I spent most of my time running the actual model on Excel.”
- “Even though I am only a number in the organisation as a whole, I believe I am adding value in my team. And my team again adds value to the organisation. I am contributing to my team seeing as if they didn’t have me there, delivering deliverables would have been much more difficult. I also add in terms of team morale, innovation etc.”
- “I am currently at an operational level. The tasks I do and the outcome thereof helps with the organisation understanding itself better. This would lead to it taking corrective action if need be. For the things that it excels in it can build better competence. I believe that I add value in the manner described above. I provide important information on how everything is functioning…”

An example of a “No” answer to the previous question:

- “I feel the role I am currently in prohibits you from having a real impact as it requires basic tasks to be done and more processes that require me to follow certain steps and do it exactly as expected rather than having freedom to express my views and make an impact/create value by decisions I make or different methods I could choose to follow other than the norm.”

An example of an answer that was “Maybe-Unsure:”

- “Since the work we are doing are quite set in stone and there are limited space for being creative and really adding value. Thus, the way I believe I add value is by changing processes to the way I think is most efficient, accurate and what works for me and the client. I communicate regularly and also by providing the best service I am able to keep my clients satisfied.”

These answers revealed more about the internal perspective of the respondents. It alluded to both their attitude and their understanding about value creation. Those who defined/understand value creation in purely economic/numeric/quantitative terms and their contribution in that sense had a harder time explaining how they create value than respondents who explained it in relational or qualitative terms.

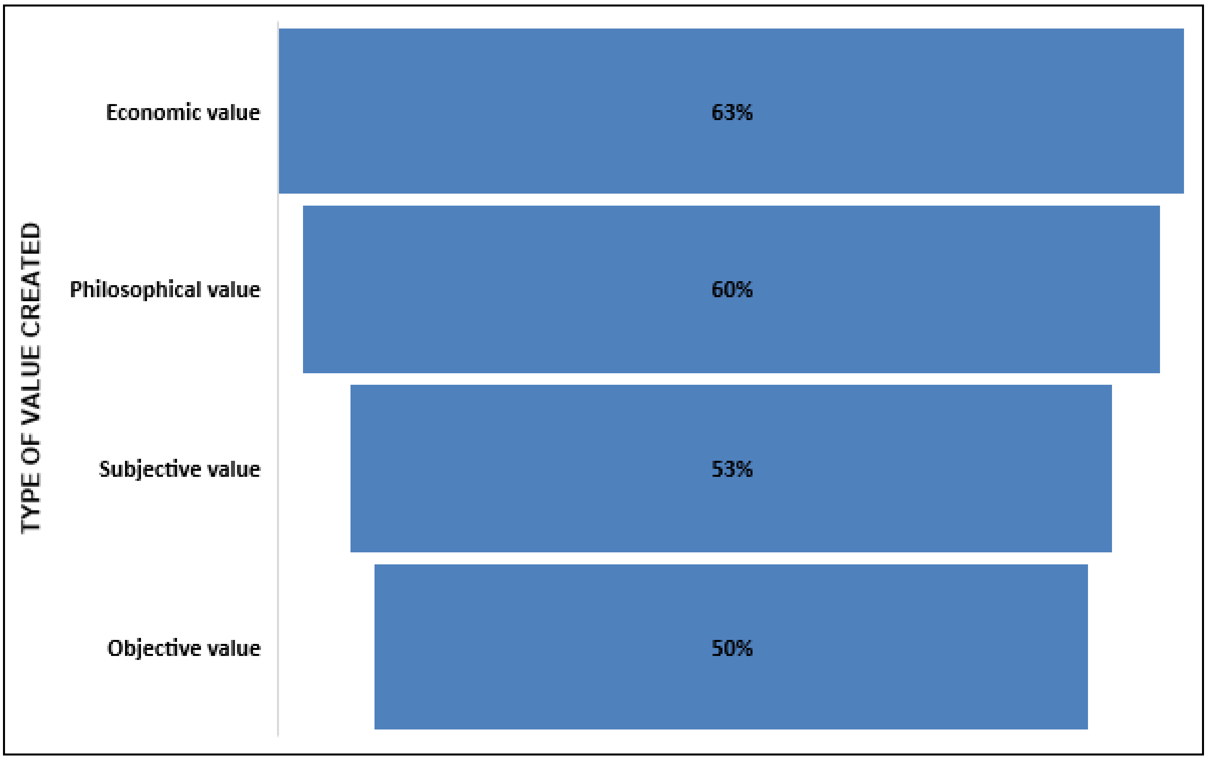
It appeared easier for the respondents to answer question 10 on “theoretically” how a management accountant creates value within their role, than the question that required them to apply it to their own role. The theme of "information management" for decision-making once-again featured in some of the answers.

4.3.2.5 The different types of value the respondent believes they are currently creating within their role (Question 13)

This question provided the respondents with four main types of value and the definition of each, categorised as; economic, philosophical, subjective and objective types of value. The question asked the respondents to select all that applied to them and the type of value they believe they are currently creating within their role.

Figure 4-6 illustrates the answers from the respondents on the four categories; 63% selected economic value, 60% selected philosophical value, 53% selected subjective value and 50% selected objective value. Interestingly, with the introduction of the "new" definitions, suddenly philosophical value received almost as much support as economic value, which definitely was not the case in the previous questions, but it shows through which contextual lens the questions were initially approached and how it now broadened with the "expansion" of the concept of value, from a unilateral to a multilateral nature of value.

Figure 4-6: The types of value the respondents believe they are creating within their role



4.3.3 The Stakeholders

This is the third category and consists of two questions. The purpose of this section was to gain understanding from the respondents on whether the value creation capability of the management accountant allows them to create value for the stakeholders of the organisation. The two questions in this theme asked: 1) do the respondents believe their role potentially creates advantage/value for the stakeholders of the organisation, and 2) how is value created, and for which stakeholders.

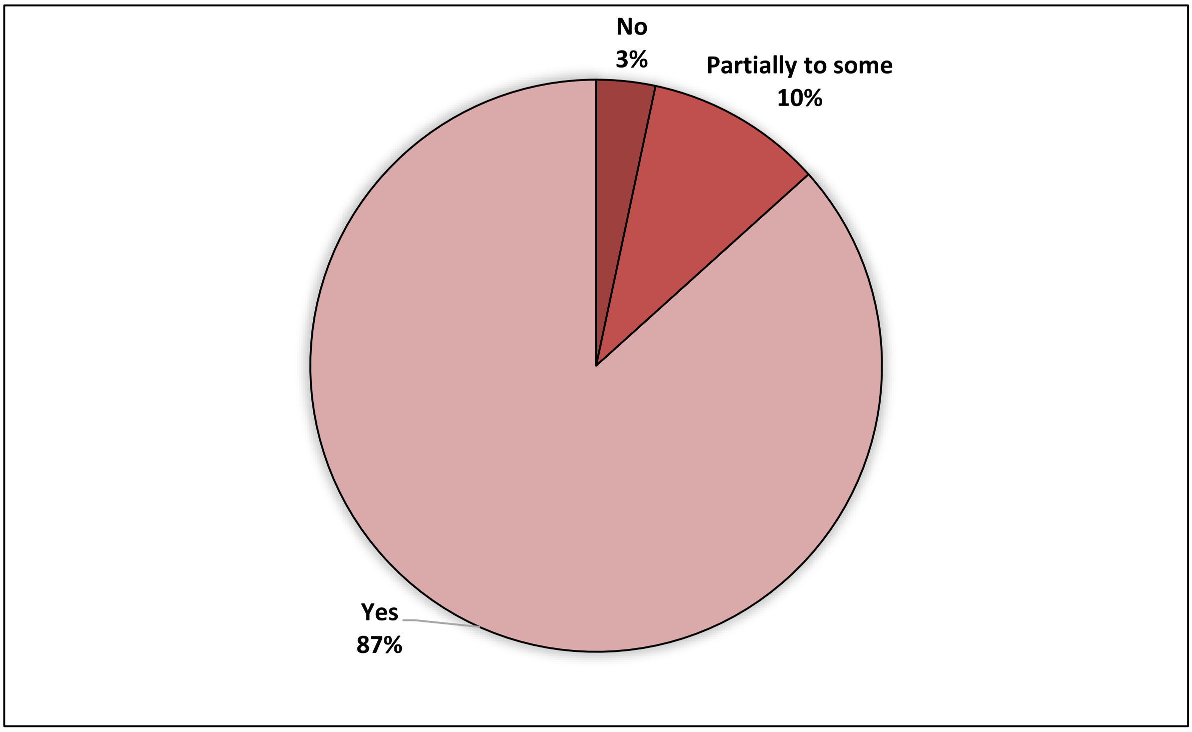
4.3.3.1 Does the role of the respondent create an advantage for the stakeholders of the organisation (Question 14)?

This question asked the respondents whether they thought their role creates an advantage for the stakeholders of the organisation, considering the five most frequent categories of stakeholders (shareholders, employees, customers, suppliers, members of local community).

This question further expanded on the concept of value creation by broadening it from the individual within the organisation, to all of the role-players in the organisation's value-chain process.

Figure 4-7 illustrates the answers from the respondents on their ability to create a potential advantage (value) for the stakeholders (potential recipients/beneficiaries of the value); 87% answered "Yes", 3% answered "No" and 10% answered "Partially to some."

Figure 4-7: Does the respondent believe their role creates an advantage for the stakeholders of the organisation?



Source: Own Research

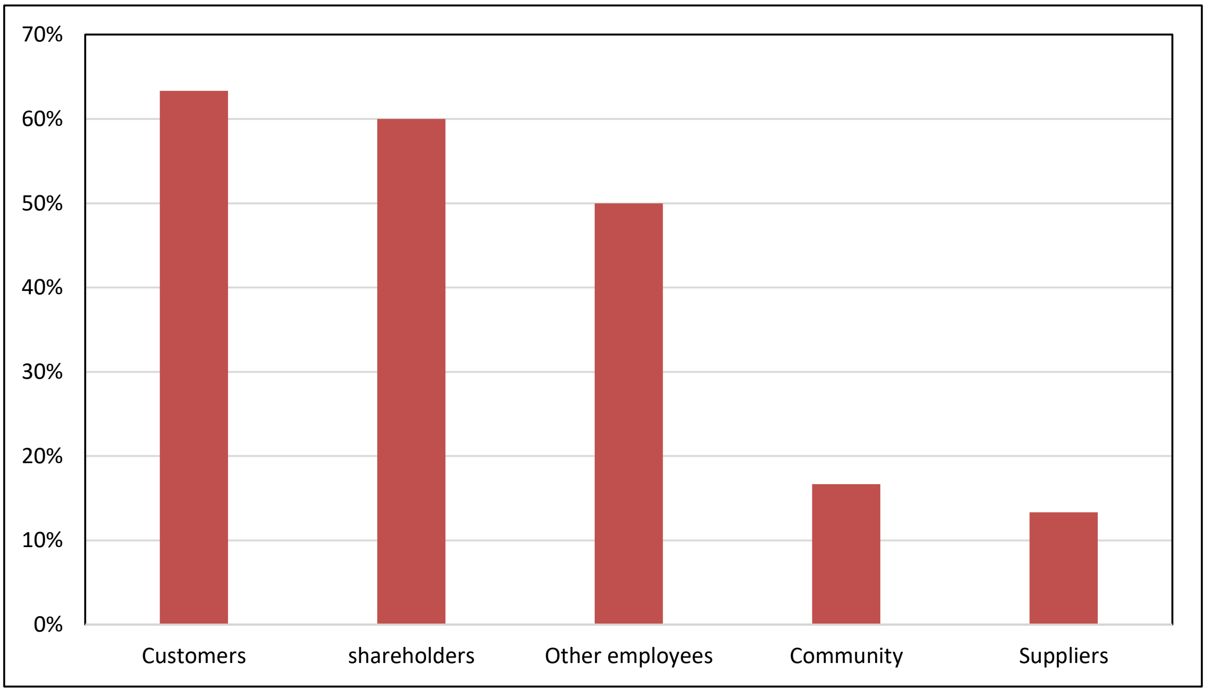
4.3.3.2 For which of the stakeholders mentioned does the respondent create value, and how is it done? (Theme 3, question 15)

This question "expands" on the previous question by requiring the respondent to link their value to a specific stakeholder(s). The respondent has explained how they believe they are creating value for the organisation within their role, but in the 21st century, an organisation has to create value for its stakeholders if they want to be competitive, so it is worth asking the respondent if they believe a link is possible between them creating value and which of the organisation's stakeholders are the beneficiaries.

Figure 4-8 illustrates the stakeholders the respondents believe they are creating value for through their role. There is a clear emphasis on the customers who appear to potentially be the recipients of value from 63% of the respondents, followed by the shareholders with 60%, other employees and colleagues with 50% creating value for them in their role, and community with 17%, and suppliers 13% both in last place.

There is a definite gap between the stakeholders who receive preference when it comes to the value creation activities of the respondents. These answers appear to support the "traditional" workplace where the organisation exists to create value for the shareholders and this is done by providing a quality product/service to the customer.

Figure 4-8: For which stakeholders is value created?



Source: Own Research

A few answers worth highlighting on how the respondents explained they are creating value for the different stakeholders:

- "Shareholders – I provide the financial statements and management accounts in an understandable format and in compliance to regulation, however I do not have an influence on how the actual figures would impact the shareholders. Employees – I answer questions regarding the salaries and the leave as quick as possible and ensure I find out about queries I do not have the answer for. Customers – I respond promptly when they are requesting invoices and statements, thus adding to the fact that my clients receive their income and the customers know exactly what is expected from them. Suppliers – I do very thorough reconciliations, ensuring there is no errors on the statements or in my work, following up on enquiries very often and also informing management what are the exact amounts that should be paid to the supplier (a new process I created). This adds value for suppliers since there is no confusion regarding the amounts paid and I ensure that they are paid on time. Other members of the local community – I do not add any value in this regard, in terms of my clients, since I don't have at all a say in how they conduct business activities. I do add value at our own companies' community by participating in CSR activities."

- "By my analysis of information, the employees are able to perform their work better through the assistance I provide them. This in turn allows them to offer a better service to the customers, which allows the company to be more profitable and add value for the shareholders."
- "Shareholders: Yes, through higher profit. Employees: Yes, through people management and looking after our staff. Customers: Yes, by providing quality and timely service. Suppliers: Yes, through understanding their environment and respecting their challenges, we work well together. Community: Yes, we conduct ethical construction and portray a vision that dreams do come true, which inspires them to join the journey."
- "..provide information and assistance for better decision-making ability."

The answers highlighted above provide an example of how the respondents' approach has shifted from their previous explanations on how they create value for the organisation, which many answered by explaining it in economic terms compared to the answers to this question, where most defined the value they were adding through behavioural or experiential terms, such as; "providing quality and timely service," "answer questions as quick and thoroughly as possible," "people management," "providing advice," "providing opportunities." Very few of these statements provide the ability to measure the value created, or contributed to by the respondent objectively; most of these statements are subjective in nature and "personal."

This question reveals something about the ambiguity of value creation. It captures the multifaceted "experiential" nature of value. Each of the mentioned stakeholders most likely have different expectations from the organisation and also different ways of measuring it, therefore, a person cannot do only one thing in a certain way and satisfy all of those different expectations. For the shareholders, the value may translate to a higher profit margin, which is easily measurable in economic and therefore objective terms, but for customers it may mean a pleasant experience through the interaction(s) with an organisational representative, which is not as measurable as a simple increase or decrease in profit.

Most of the answers define the value created for the different stakeholders in relational terms, which in itself is a type of intangible value.

4.3.4 Performance and Value Capture

This is the fourth and final category of the questionnaire and consists of seven questions. This section explores how the respondent approaches the process of measuring and communicating their value and performance, and gauges the attitudes of both the respondent and their organisation towards value creation. The questions in this category ask: 1) if it is possible to measure the value they are creating within their role, 2) if other arrangements aside from their normal remuneration could lead to them achieving better results in their role, 3) if they are currently furthering their professional development, 4) do they have a formal performance measurement plan or KPI's that the organisation employing them uses to measure their performance, 5) does the company that employs them explicitly emphasise value creation, 6) what more does the respondent think they can do, aside from that which they are already doing to create value in their role, 7) does the respondent think their answer to the previous question is practical and sustainable in the long-term within their current role.

4.3.4.1 Can the value that the respondent is creating, be measured within their role (Question 16)

There is a saying, "You cannot manage what you cannot measure." Due to the multidimensional nature of value, each type requires a different measure. You cannot communicate value to other people if you cannot measure that value. This question reveals the reality of value creation in practice that some values are more easily measurable than others, and therefore those types receive preference and are more readily emphasised by organisations.

Figure 4-9 illustrates only 63% of the respondent's answered "Yes" on whether they create value that can be measurable, 30% have a definitive "No" and 7% answered both "Yes and No."

When further asked how and why, the following answers are worth highlighting for each of the three categories.

For those who answered "Yes:"

- "Yes, the time and by extension value of financial reporting employees saved by utilising the automated end product is directly quantifiable and measurable."

- “Yes, by checking the financials (EBITDA) comparing Actual - vs Budgeted vs Forecasted figures.”

For those who answered “No:”

- “No. I believe value and the measurement thereof is subjective. My role in one employee’s life, might differ from the value I’m adding to another employee’s life, or even team. Even though this might be the same value adding, they can be interpreted differently.”
- “No. I don't believe an objective and accurate model has been developed to measure the value added by a certain person/role in an organisation. In today's business environment, there are so many stakeholders affected by an organisation’s value chain (directly and indirectly) that it is almost impossible to put a figure to that. Any industry's value chain is like a web, rather than a chain, meaning every stakeholder's actions directly/indirectly influences another's. To isolate an individual part of this web is very difficult, nigh impossible I'd say. Because one can't isolate a part of the web, it's difficult to accurately measure any persons’ portion.”

For those who answered “Yes and No:”

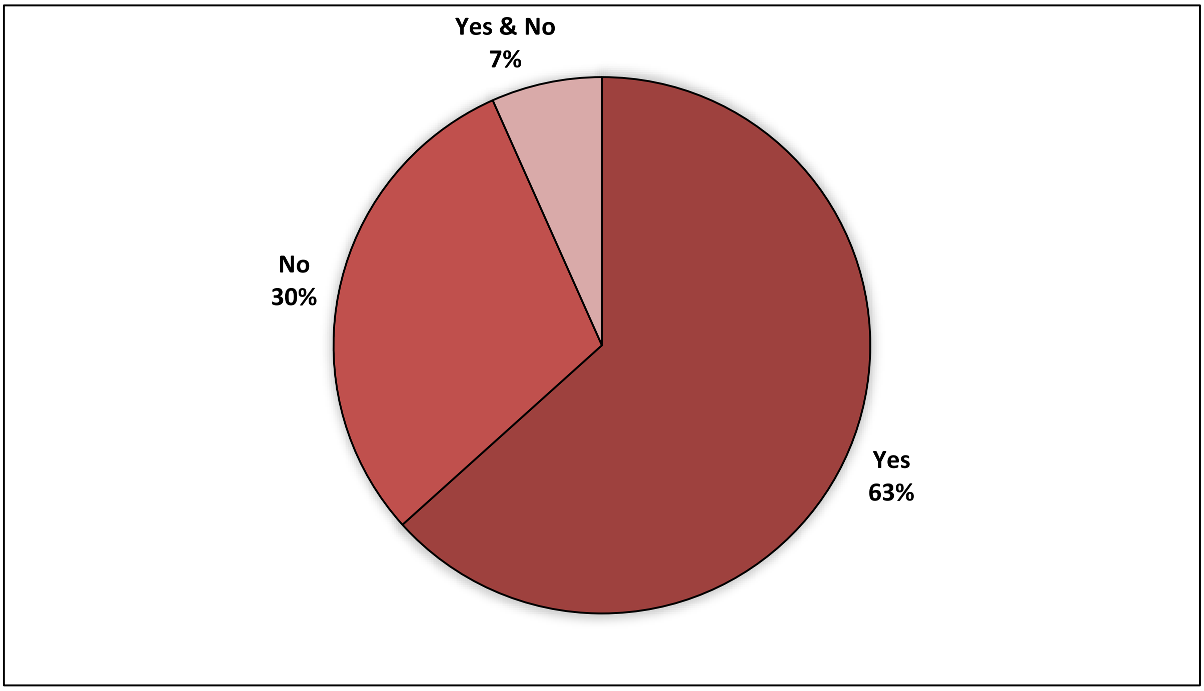
- “Yes, in terms of time spent on activities to be done. This is ultimately how they determine the fees of our service to our clients, especially on ad-hoc activities. But also. No, in terms of the small things I do to keep my clients satisfied, since these small things are just how I complete my work and the influence of it could not always be measured.”
- “Yes, in the case of the amount of finance my clients bring to the company. No, the effect that me, sharing my knowledge and experiences helps or benefit my co-workers.”

These answers show-case the potential tension that exists for a management accountant in applying the concept of value creation in their role, where the “people” and “paper” elements converge within the role, the economic value appears to take preference above the other types of value mentioned. It is not easier to create economic value than subjective or philosophical value per say, economic value is just easier to measure and therefore to communicate.

Those respondents who continue to add a type of value that is not measurable by their organisation hold a different attitude towards value creation as a whole than those who only answered (and stuck to that value throughout the entire questionnaire) that the type of value they create is economic value.

This answer is comparable to that of question 15, and highlights the type of stakeholders for whom the respondents believe they are creating value. The two stakeholder groups that received the lowest votes as recipients of potential value were the suppliers and community. The suppliers are understandable to a certain extent, as many of the respondent's function in service or expertise-based roles and therefore suppliers do not really feature; however, all the organisations function within a community and the type of value expected from communities would be more in line with ethical conduct towards the community and environment, along with social responsibility, and not necessarily economic value. Consequently, it is not surprising this is the lowest as the emphasis with most of the respondents is on creating economic value for those who are direct beneficiaries of that value, which ultimately is the shareholders and customers of the organisation.

Figure 4-9: Can the value created by the respondent be measured?



Source: Own Research

4.3.4.2 The potential for better results from the respondents in performing their duties if additional arrangements, other than their normal payment, were forthcoming (Question 17)

This question builds on the previous question that eludes to the attitude of the respondent to the willingness, potential or capability of doing "more than is required of them" within their roles. It is worth wondering whether those respondents who only emphasise economic value, would be willing to add other types of value, or do more than they are currently doing, if the organisation suddenly produces an incentive for those value-adding activities.

Figure 4-10 illustrates the respondent's answers, where 90% answered "Yes," their performance may lead to better results for additional arrangements to be made as an incentive for their efforts, and 10% answered "No.".

Some of the types of additional arrangements, mentioned by the respondents that may lead to better performance in their role included:

- Being paid more would lead to better results
- Vacation trips as a reward
- Acknowledgment from colleagues or senior personnel for their efforts
- Special recognition for the efforts put in
- Commission or percentage-based remuneration for work done or results achieved above a certain target

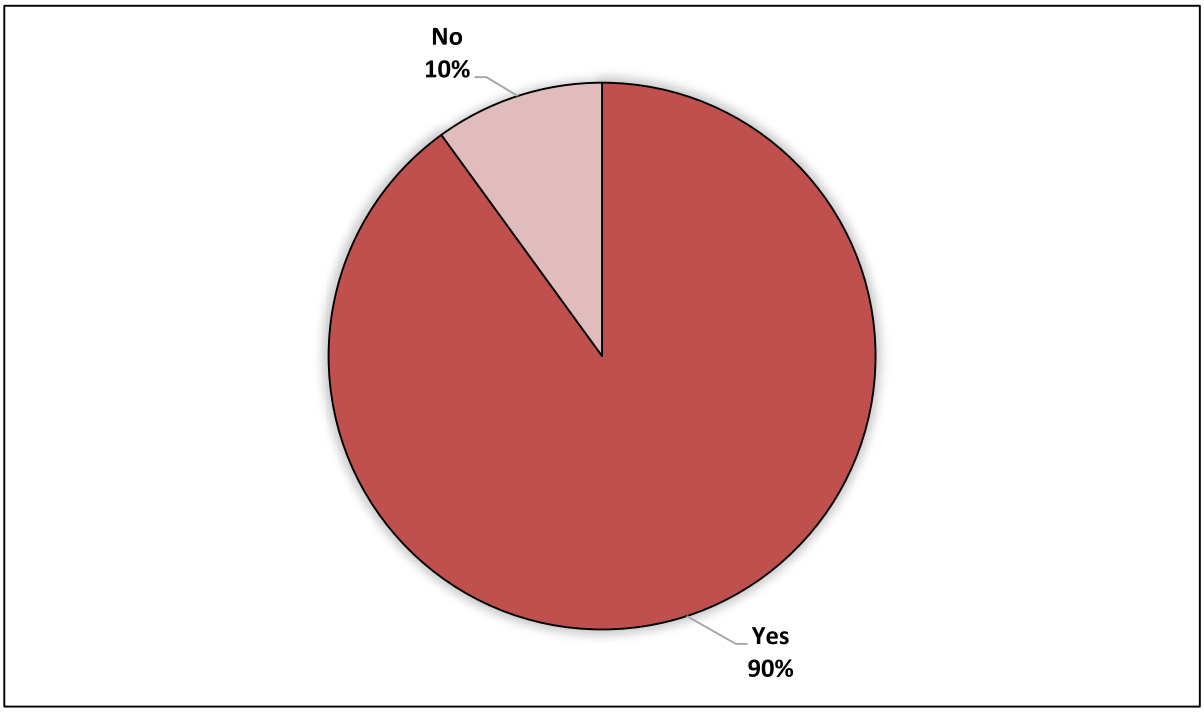
It is worth highlighting the following answer as an important observation made by a respondent about the adverse effects of introducing such a system:

"Yes, more work could possibly be put in for me to produce better results. No, it may lead to unhealthy competition in the workplace as people may not want to assist their co-workers if they won't benefit from it."

These responses indicate an overwhelming majority of respondents have the capacity and capability to create more value if offered the correct incentive. This is an important consideration an organisation needs to make when pursuing a value creation strategy, as the personal motivation of the individual has to be met by the incentive from the organisation to ensure a two-way channel, which may lead to continued value creation in the long-term.

Where the capacity and capability exists with the individual to create more potential value, the organisation should estimate the potential additional value that can be added and do a cost benefit analysis of the incentive in return for the value. Not all incentives necessarily have a cost associated with it, some of the respondent's indicated that more recognition would be sufficient for them to put in more effort; this allows an organisation to assess the ability of those in management/leadership positions to create an environment that encourages value creation.

Figure 4-10: Can there be additional arrangements for effort put in that may lead to better results within the role of the respondent



Source: Own Research

4.3.4.3 Is the respondent currently furthering their professional development (Question 18)?

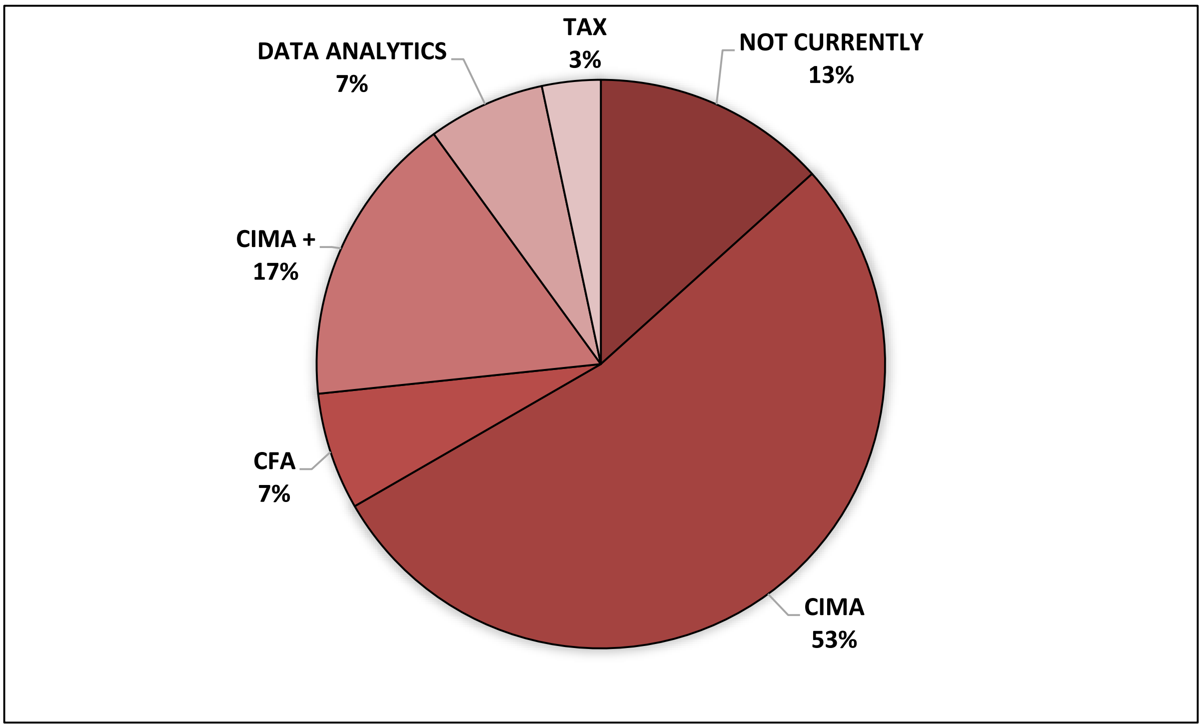
This question aims to gain insight into the mind-set of the respondents on how they approach their career and if they are investing in their abilities, capabilities and skills through the furtherance of their professional development, and if they are open for input and learning at the phase where they are now. It is also worth seeing which skills they emphasise through their approach to their professional development.

Figure 4-11 indicates which professional avenues the respondents are pursuing and through that, which (especially technical) skills are being emphasised. Of the respondents, 53% are furthering only their CIMA studies, 17% are furthering their CIMA studies as well as enrolled in something else (IFRS short courses, Master's degree, CA, etc.), 7% are pursuing a CFA route, 7% are furthering their skills with data analytics, 3%

are specialising in TAX and 13% are currently not formally pursuing their professional development.

The fact that 87% of the respondents are pursuing their professional skills development so aggressively, confirms that many are in junior positions and see this as a potential vehicle to take them higher up in their career or lead them to a role that allows them the opportunity or freedom to do more of what they are interested in. By also investing in new skills and capabilities, this allows for the potential increase in the ability to add value in their respective settings. If an organisation can successfully "partner" with their employees by identifying opportunities for the new skills to be utilised in such a way that it can add more value through the contribution made, the organisation can proactively pursue value creation at an individual level to lead to an organisational level and not have to "play catch up" with employees looking for outside opportunities to harness or apply their new skills if it cannot be met internally.

Figure 4-11: How the respondents are pursuing their professional development



Source: Own Research

4.3.4.4 Does the respondent have a performance measurement plan or KPIs that their organisation uses to measure their performance (Question 19)?

This question aims to provide insight into how the organisation approaches the performance measurement of the respondents; how they are assessed in their role, or guided in their career development.

Figure 4-12 surprisingly indicates only 63% of the respondents answered “yes” and 37% answered “no” to the question of whether their organisation uses a performance measurement plan or KPIs in measuring their performance.

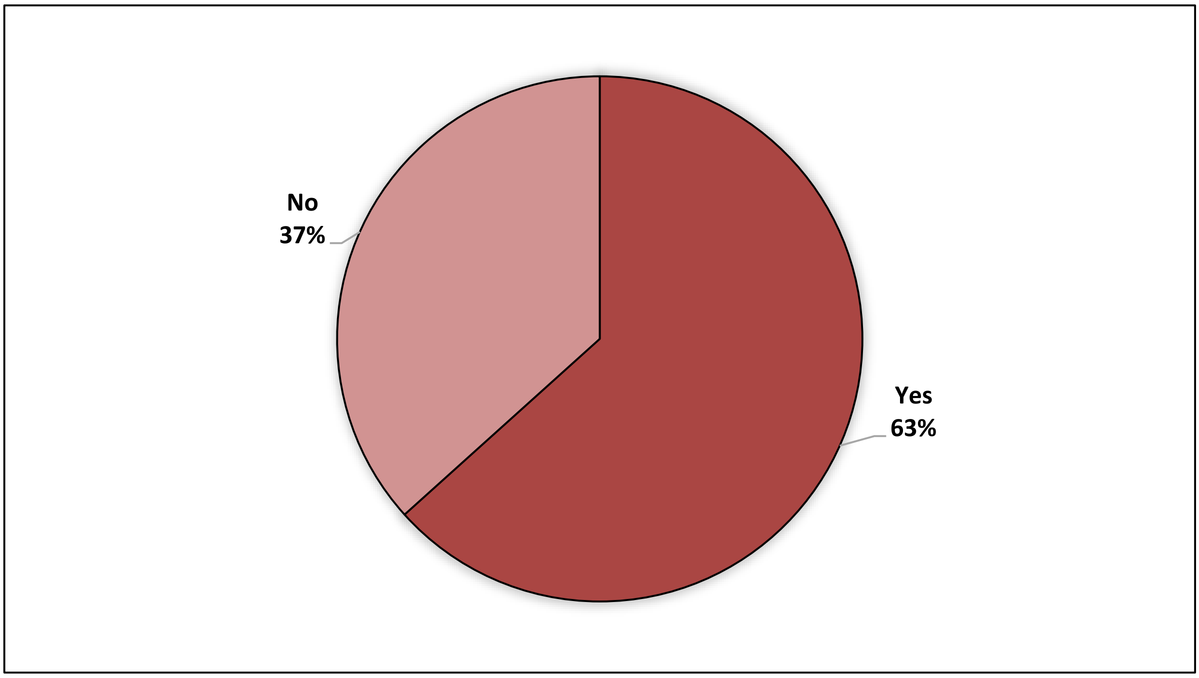
This may potentially be because many of the respondents were in their first year of employment at the time of the questionnaire and therefore may not have formally sat with their managers and discussed their performance.

It is imperative that an organisation formally communicates its performance expectations to the employee. By providing the employee with a KPI or performance measurement plan, it creates an opportunity for the organisation to include value creation as an expectation for the individual; this ensures the commitment from the organisation towards the individual, to reward the efforts from the individual and communicate the expectations from the individual to focus on value creation.

This medium can further allow the organisation to communicate the value drivers it has identified that should be emphasised in the course of business. It also allows management accountants in managerial positions to use this instrument to effectively manage those employees who report to them and direct their inputs to achieve the desired outcome.

This tool appears to be underutilised by the organisations of the group of respondents in their ability to communicate expectations in capturing value and measuring the performance and contributions of the individual.

Figure 4-12: Does the organisation have a performance measurement plan or KPIs to measure the performance of the respondent?



Source: Own Research

4.3.4.5 Does the organisation where the respondent is employed, explicitly emphasise value creation (Question 20)

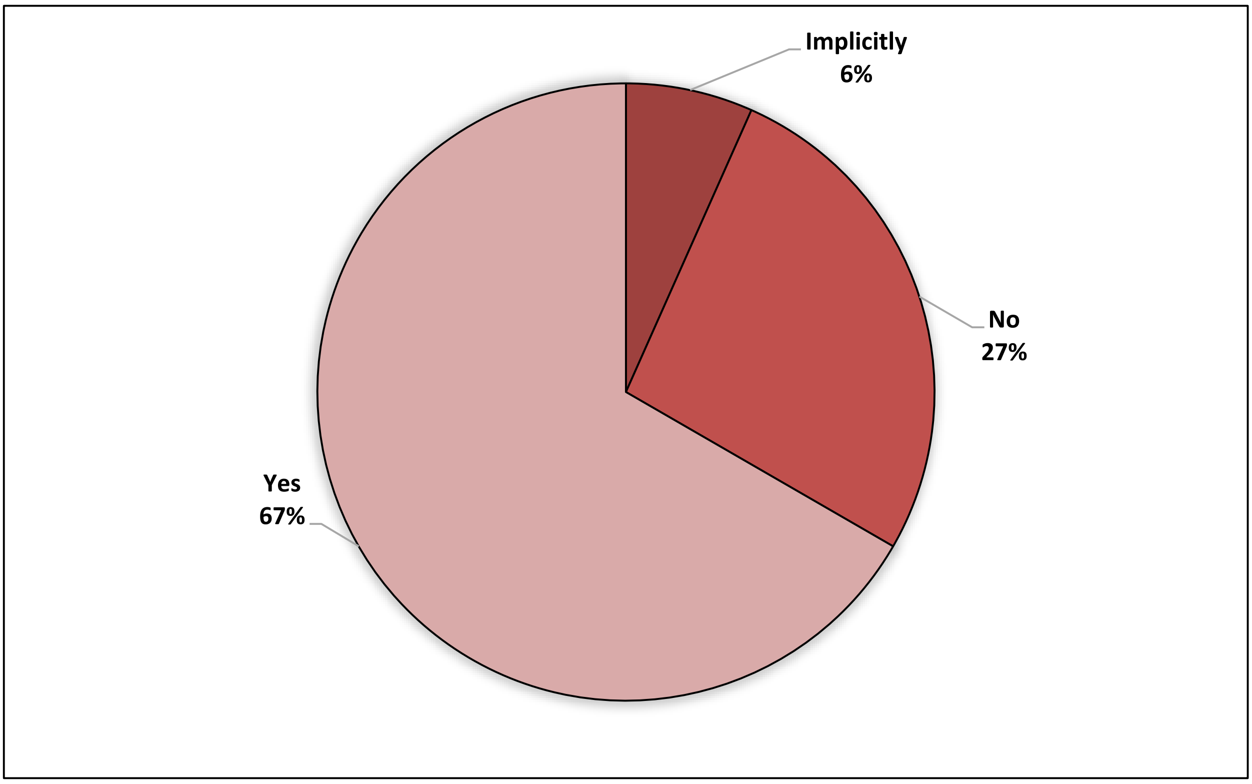
This question asked the respondents whether their organisation emphasises value creation, and then provided more definitive clarity on the question by adding the following sentence after the question: “E.g. Were you introduced to the concept of value creation within the company through an induction period or workshops or training or a value system that explicitly focuses on value creation within the company?”

The objective of this question was to gain insight into the organisation’s attitude towards the concept of value creation. What would be the individual’s incentive to create value if the organisation does not emphasise value creation? That would ultimately then come down to the individual’s attitude towards the concept of value creation by taking initiative within their role. It is different if an individual is in a management position and can emphasise value at their own accord down to those on levels below them, but if the management accountant is not formally introduced to the concept within their organisation (even though the theory ascribes it to their role), they are on a lower level within the organisation where they are more on the “receiving side” than on the “managing side,” and most of the types of value they can potentially add is not measurable it then comes down to the individual’s willingness to create value for the organisation and/or its stakeholders on their own accord.

Figure 4-13 indicates that 67% of the organisations where the respondents work does emphasise value creation, 27% do not emphasise value creation and 6% of the respondents felt their organisation implicitly communicated it.

When comparing this answer to the types of industries the respondents worked in, there was no correlation between them; it appears to be a company specific attitude, rather than an industry attitude.

Figure 4-13: Does the organisation in which the respondent works explicitly emphasise value creation?



Source: Own Research

4.3.4.6 What more does the respondent think they can do to be better in creating value for the organisation within their role (Question 21)

The purpose of this question is to gain more insight into how the respondent thinks within and about their role. Do they look for potential opportunities to “make things better,” or do they feel that which they are currently doing is all there is too it and nothing more can be done?

This question also alludes to the individual’s attitude and even willingness to take initiative within their role to create value, or “make things happen.”

Figure 4-14 uses a word cloud to illustrate which concepts or ideas were mentioned the most among the answers of the respondents on what they can do to be better at creating value.

Figure 4-14: What can the respondent do to be better in creating value?

Source: Own Research

The answers were all centred around personal improvement as that is the one thing the respondent has control over, to be able to "be better" at creating value. The answers emphasised elements such as:

- Different skills improvement
- Better relationship management
- Better personal management
- Competency improvement through experience in the workplace
- Knowledge sharing between co-workers
- Automating processes
- Doing work efficiently and effectively

However, 10% of the respondents said they could do no more to create value for the organisation, as they were already at full capacity.

4.3.4.7 Does the respondent think their answer to the previous question is practical and sustainable in their current role (Question 22)?

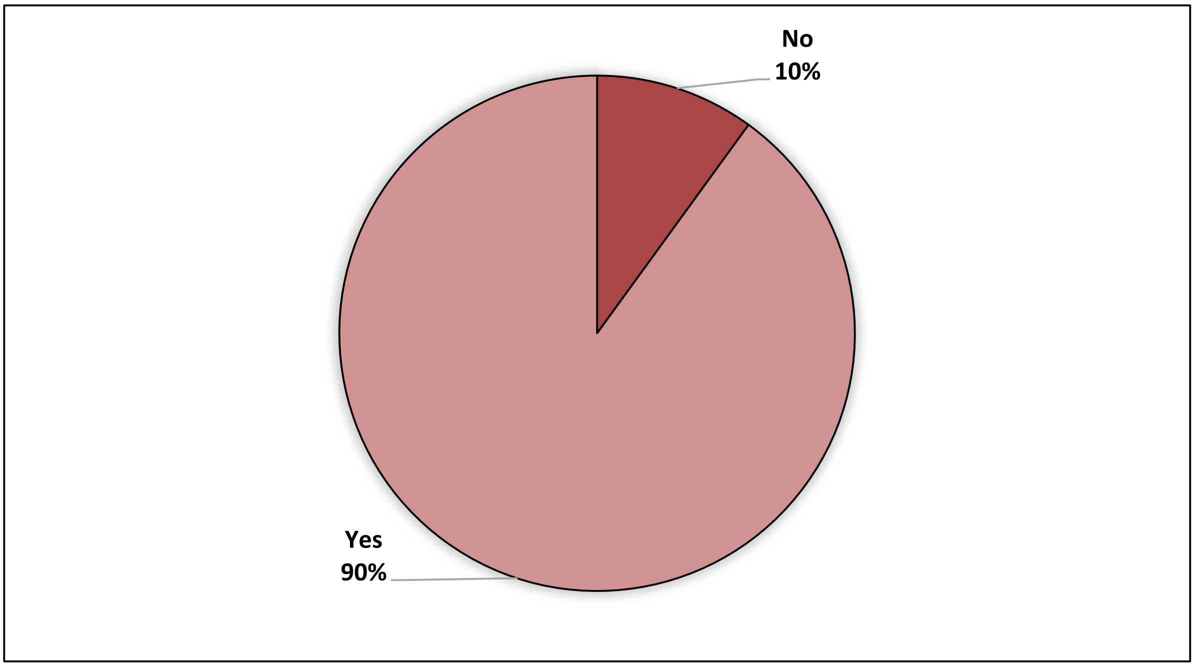
This question wants to ground the respondent in reality so that they will not provide a textbook or theoretical answer, but genuinely confirm if it is realistic to make a proposal that can actually be realised.

Figure 4-15 shows that from those who answered "Yes" to the previous question, 90% confirmed the proposal they gave to the previous question is realistic and sustainable, whereas, 10% confirmed that their proposal was in fact not realistic and sustainable.

Their reasons included:

- "No, time allocated to work does not allow for the required internal efforts required to pursue the above."
- "Not really, my role would need to expand or be given more responsibility."
- "Not always, it's hard to be a part of the decisions in a big corporation when you are still relatively new."

Figure 4-15: **Is the proposal made by the respondent in the previous answer practical and sustainable?**



Source: Own Research

The answers to this question, along with those of question 19 that asked about the KPI's and performance measurement plan, emphasise the importance of the two-way channel discussion needed between the organisation and the individual. If the opportunity was available for these management accountant's to make their suggestions on how the organisation could benefit from these proposals to create value, and the organisation in turn could compare these suggestions to their identified value drivers and the expectations of the different stakeholder's, the ensuing relationship could potentially lead to outputs and value that is greater than the sum of its parts.

The individual's motivation along with their capability and capacity, coupled with the organisation's clear communication of its expectations and providing the additional/relevant incentives, could truly lead to a culture of sustainable value creation.

4.3.4.8 Final Thoughts (question 23)

The final question asks the respondents whether they have any additional comments or insights they would like to add or share on the topic of value creation in the context of management accounting. These insights are included in Table 4-1 below.

Table 4-1: Thoughts/insights/comments the respondents shared on the topic of "value creation" in the context of management accounting

Companies need to recognise the full value CIMA's can add to the company, and not only utilise the skills they seem necessary to fill a specific job requirement.
Creating value is not seen by all as the same thing. Value, as seen in Company X, can be seen as nonsense in Company Y. Communication in that regard is important.
Adding value more often than not only gets considered when a company is struggling, but this can further an already successful company
It is a key concept in management accounting and something that every management accountant should always strive towards.
Value creation should be part of the business culture. If not, it will be overlooked and underestimated.
Management accountants should also look deeper than creating value, we should also look into the client's needs and wants. This is in the line of creating value, but we just have to go the extra mile.
I think this will be clearer when one actually works as a management accountant and gains experience to create value. However, I think there should be more focus in accounting and for that matter any work, on creating value in what you, not just doing the job and getting the work done. I think once you fall into this trap you stop developing your skills and your thought process and could easily stagnate in your position.
To be able to create the maximum value from management accounting, I believe accountants should be given the tools and financial or other motivation, since value creation goes beyond the normal work requirements of a job.

All employees at every level should be empowered to have an input on value creation and how business activities and operations are performed. Management override can lead to an impairment in value creation.
Value creation, again, is subjective. But I believe that every management accountant can add value in terms of operations, strategic thinking etc. Ultimately it is not one single action that creates value, but a conglomeration of both practical (operations, strategy etc.) and implicit actions (how you inspire your teammates and treat others).
Creating value is overseen by creating profit, since most people see it as the same thing even though it is not.
I think that value creation is very subjective and it is hard to measure 100% accurately as there is so many variables to consider.
It is important to realise that value does not accrue in a linear fashion, but that majority of value is derived near the end of a process. The potential of an incumbent to produce value has to do with an individual's experience and what they harvest from their portfolio (all the accrued responsibilities assigned to you inclusive of past success and failures).
I think the management accountant should realise that the business is just as important as the finances and he should be excellent at both to make an impact
Yes, this is adding to my answer about the measurement of value creation. E.g. - an employee produces revenue for his/her company. As a direct result, this revenue created enables the organisation to donate money to charity (although the revenue created by the particular employee is only a very small portion of this donation, say 1%, this 1% of the donation is still directly attributable to the revenue produced by the employee). This donation enables the charity to put up a homeless shelter, offering beds and warm meals to the homeless. However, for this employee to produce this revenue, there has to be a HR department, paying his/her salary, which should then also be (to a smaller extent) responsible for this revenue produced. How can you accurately measure the amount of value added by this employee and which portion is attributable to the HR department/other

supporting functions?
I think it is a field of management accounting that requires more research and the development of an objective and accurate model. It is one thing to say "I am creating value," but to accurately measure the amount of value is a very different story. Once there is a model by which one can accurately measure the amount of value added, organisations will be able to allocate resources more accurately to roles which are creating more value, which in turn will be more beneficial to stakeholders.
I am a big fan of models like the balance scorecard and six capitals model. Not all objectives can be measured in a monetary value. I think these models can be developed in such a manner that one day they might be used to measure value created.
Also, the term "adding value for all stakeholders" is unfair to expect from an organisation and, quite frankly, not true.
What I mean by this, is it creates the idea that all stakeholders are equal, which is not true. There are other fields in management accounting, where the power and interest of stakeholders are mapped to enable the company to determine how they should treat these stakeholders.
The concept of creating value does not give the organisation the freedom of deciding which stakeholders they classify as important and which they do not.
Say an organisation's main objective is creating profits for dividends for their shareholders. I feel it is perfectly appropriate to pay creditors late if you have cash flow problems; yes it might negatively affect your relationship with them, but if their business model was set up correctly they would earn interest on your arrears or cut you off, because they have other customers. Our primary objective is paying high dividends, if stepping on somebody else's toes (without breaking the law) to achieve that goal is required, then so be it. The business environment is driven by capitalism; it is survival of the fittest. Note, I am not saying every organisation should be profit-focused, I am saying that each organisation has the right to decide what is most important to them, and should not be criticised for exercising that right.
The concept of value creation has this idea that the business world is all sunshine and rainbows and everybody has a smile on their face at the end of the day. Ethically, this is a very nice ideal to strive towards, but it is impossible to achieve and unpractical in the modern business environment.
Value creation should be modelled around a stakeholder hierarchy, once we know which stakeholders are the most important to us, we can start

developing methods to measure the value created for them, once value creation can be measured, it will be implemented much more effectively in individual roles.
From my understanding of value creation within a management accounting context and with the abundance and importance of data and information today, management accountants would be able to add the most value within their roles if they are able to code in at least one computer programming language, especially data base languages.
Value creation is a big part of what we do as management accountants. It starts from the decisions we take and influence and has a ripple effect that can benefit not only the company we work for, but all the other stakeholders that are affected by the work we do.

The answers outlined in the table above, provide rich insights into how the management accountant understands and views the concept of value creation and how it (or could potentially) translates into practice and adds value to the work place.

Even though most of the comments highlight the importance of value creation, and how the management accountant plays an undeniable role in the process, it also shows a potential tension between what the theory ascribes and how it translates to the reality.

Navigating through the different expectations within the individual's role, coupled with the ambiguousness and vagueness of what value creation means within each role, creates a difficult terrain to navigate.

As necessary as value creation is for the sustainability of an organisation in the 21st century, so it is equally important to create further models, frameworks or tools for management accountants, which allows them to capture and communicate that value they are creating and to close the gap between what they think they are creating and what the organisation expects them to create.

4.4 SUMMARY

This chapter enabled the researcher to gain insight into some of the perspectives held by the management accountant respondents on the four themes discussed above. This enabled the researcher to make comparisons between the different answers and to compare the answers to the literature in Chapter 2.

The first theme allowed key insights into "who" the respondents are and "what" is the context in which they are functioning. All of the respondents started their careers on an almost equal footing in terms of their academic and theoretical foundation, but since the start of their careers, their working context has continued to contribute to and shape their understanding of the concept of value creation.

The second theme focused on the respondents' understanding of how the concept of value creation translates to the environment they are currently in, and how they believe they are creating value. This theme allows for the subjectivity of the value creation process and explores the nuances of what value means for the individuals.

The third theme explored how the respondents approached the concept of value creation for the stakeholders of the organisation. It gauged the ability to navigate the different expectations of the stakeholders, and how the value created linked to the stakeholders of the organisation.

The final theme focused on how the value capture and performance of the individual is communicated to the organisation and how realistic the attempts and suggestions of the individual to create value are in the long term. This theme also gauges the attitude of both the individual and the organisation towards value creation, and how that translates to the willingness from both parties to intentionally pursue value creation.

Overall, the findings in this chapter enable the researcher to draw meaningful conclusions and gain key insight into the perspectives and experiences of the management accountant, and their understanding of what it means to create value.

The next chapter, Chapter 5, will provide the conclusions and recommendations to this study, and will address some of the comments made by the respondents in question 23, as illustrated in Table 4-1.

CHAPTER 5 CONLCUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter provides the conclusions of the four main categories discussed in Chapter 4, and the recommendations for this research study. The purpose of this study is to provide a conclusion for the primary objective identified in Chapter 1. There is also a recommendation for further research opportunities that arise from this study.

This research study started by highlighting the consciousness of the 21st century consumer, and the need for ethical and sustainable business practices if an organisation wants to remain competitive in its industry. The call for greater corporate social responsibility from organisations also lead to the re-evaluation of its stakeholders and how they are influenced by the day-to-day decisions made by the organisation. It is no longer enough for an organisation to only serve the interests and create value for its shareholders; value is something that should be created not only for all of its stakeholders, but also with its stakeholders.

The management accountant is a strategic "business partner" of the organisation that has a unique skillset, which enables them to play a key role in the organisation's ability to create, allocate and communicate the value for all of the organisations' stakeholders.

This research study gathered unique insights on the theory behind value creation in the context of the management accountant. These were expanded on through the empirical research gathered by means of a questionnaire that gave further insight into how the idea of value creation translates from theory into practice for the management accountant respondent's and how, even with the same theoretical foundation, their perception of what value creation amounts to still differs.

The concept of value and the ability to elicit meaning from it or appropriate meaning to it remains an ambiguous concept, both in the literature of value as well as in the world it is manifested in. Due to the relational dimension of value being dependent upon something or someone to inform or confirm that value, it remains an elusive concept due to the inability to view it in isolation. Therefore, this research provided key insight in showing that even though all the respondents understood the theoretical meaning of value creation, it still amounted to something else for each individual, depending on their context or environment. It even illustrated how the way in which the individual initially defined value changed with the introduction of different variables. Throughout the questionnaire, we saw the definition of value for many of the respondents change from unilateral terms to incorporate some of the multi-dimensional characteristics of value.

5.2 SUMMARY

5.2.1 Respondent Characteristics

All the participants were academically qualified as management accountants; all possessed an Honour's degree and confirmed the formal introduction to the concept of value creation during their tertiary studies.

All the respondents were still at the beginning of their careers, with an average duration of employment being 13 months. All the respondents, with the exception of one who was in academia, functioned in different financial-related roles that emphasise the technical capabilities of the respondents. This allowed for an even spread of insights from different roles that function on the same principles, as guided by the skillset provided by the same academic/theoretical foundation.

The two main levels the respondents function on within their organisations were the operational level, which had the majority of the respondents, and the managerial level, represented by just more than one quarter of the respondents. A further reflection of this level of representation was through the fact that most of the respondents initially approached the concept of value from a technical angle, which is characteristic of the emphasis on the operational level.

The respondents represented a diverse set of industries, with the two biggest contributors being from the banking/consulting and accounting industries. This diverse representation allowed for a wide range of perspectives and views on the same topics from very different contexts, roles and environments.

The day-to-day duties the respondents listed as their responsibilities showed that most of the work currently done by them was technical in nature and usually had to do with analysing, sorting or preparing information for someone else (higher up in the organisation) who would then make the decisions. Most respondents also mentioned the importance of decision-making in the organisation for the ability to create value.

Most of the respondents were “junior”, and on “lower” levels within the organisation, which was a necessary requirement for this study, as all the respondents had to rely on their shared academic/theoretical background/foundation as the starting point, rather than relying on their work experience, when it came to the primary referencing framework of what value creation means. If older or more experienced management accountants, in more senior positions were used, their definitions of what value creation meant for them within their context, and how they apply or create it, may have potentially been more descriptive and specific; however, without the same theoretical starting point as the other respondents, it would not have been possible to compare how their understanding of value has been informed, influenced and changed by their environments. More experienced management accountants would also potentially be more influenced by the specific value proposition of the organisation they are employed at.

This junior group of respondents allows the opportunity to gain meaningful insight into how management accountants navigate different worlds with the exact same tools. It also allows the opportunity to gauge which variables have influenced the perspectives held by each of the respondents the most.

It may be worth repeating the same questionnaire on an older group of management accountants to compare their answers to these; the recommendations section will address this.

5.2.2 Value Creation

All the respondents confirmed they had the same theoretical foundation for the understanding of the concept of value creation. This was due to the CIMA syllabus, which explicitly addresses the concept in the same way, done by all the participants.

A phrase continually used by the respondents in the defining of how a management accountant creates value within their role was the idea that “The management accountant creates value in their role through the providing of information that can be used for better decision-making for the organisation.”

When comparing this answer, which featured numerous times in the different answers, it becomes clear that the majority function on the operational level of the organisation, which requires them to provide/compile/analyse information needed in the decision-making process by someone on a higher level. How a management accountant creates value will potentially look different for every level the management accountant functions on, but this answer reflects the reality of the position and role held by most of the respondents. One of the respondents answered with a more holistic approach, and the answer was hypothetical for a management accountant who functions on a strategic level, but ended with the sentence: "*This [preceding] idea has a lot of merit - although I deem it a bit too idealistic and too unrealistic to really achieve.*" The answer provided was almost textbook-perfect, something that would have potentially scored full marks in a test at university, but due to the respondent now being in practice, he admits the reality of that answer is maybe nothing more than idealistic.

This answer highlights the transition from the theoretical foundation, confirmed or in some cases disproved, by the experience of the management accountant in practice. The framework of what it means to create value as a management accountant changes with the environment, level and role in which the management accountant functions.

Most of the respondents confirmed they believe they are creating value for the organisation within their role, while a few felt their role constrains their ability to create value. The ways in which the respondents believed they were creating value differed from those who viewed themselves as a link in the chain that does its bit to make the bigger picture better, to those who found small innovative ways to enhance their efficiency or effectiveness within their role, to those who explained it in relational terms in the way they interact with the people in their role.

It was interesting to see how the differences became apparent as to the way in which each respondent interpreted what value was and what type of contribution they chose to highlight as their way of adding/creating value. It would have been a completely different result if the respondents had received a definition that framed the context of the value on their behalf, instead of allowing them to explain their own definition. To give an example, one of the respondents explained a type of value they were adding as, "…I also add (value) in terms of team morale." If the question had asked the respondents if they believe they were adding value to their organisation by positively contributing to their team morale, it is likely all of them would have confirmed they do, and then based on that definition, add value to their organisation. This question therefore provided a lot of insight into the differences in the interpretation and application of the same theoretic background in different environments.

A large majority of the respondents indicated that the organisations in which they work explicitly emphasise value creation. This may be a key influencer on the respondent's current understanding of value, based more on how the organisation chooses to frame what value creation means for the organisation and how the individual contributes to that ideal.

Initially the terms of defining value were predominantly singular for most of the respondents, meaning it was limited to one type of value that was focused on, mainly economic value. However, when the questionnaire offered the opportunity to select from the four main types of value what the respondents believed they were creating, economic value barely stood out from the other types of value. These answers alluded to the fact that most of the respondents did not even think of mentioning or referring to the other types of value earlier, because those types of value might not necessarily be a direct consequence of what they do in their role, but how they do it. This reflects the mind-set of the respondent on the way they think about themselves in relation to their role, but also in relation to the organisation.

5.2.3 Stakeholders

All the answers of the respondents about value creation revolved around their role and the organisation; none mentioned, of their own accord, the stakeholders of the organisation. All the answers implicitly ascribed the value created for and to the organisation.

Respondents indicated that almost all of them, with the exception of one, believed they were creating value for the stakeholders of the organisation, whether directly or indirectly. The customers, shareholders and other employees were the favourite recipients of the value the management accountants believed they were creating. The local community and the suppliers of the organisation were solidly in last place.

An interesting submission received from one of the respondents, whose input was on the way the organisation approaches the needs and expectations of its stakeholders, is worth highlighting:

"…*Also, the term "adding value for all stakeholders" is unfair to expect from an organisation and, quite frankly, not true. What I mean by this, is it creates the idea that all stakeholders are equal, which isn't true. There are other fields in management accounting, where the power and interest of stakeholders are mapped to enable the company to determine how they should treat these stakeholders. The concept off creating value doesn't give the organisation the freedom of deciding which stakeholders they classify as important and which they don't. Say an organisations main objective is creating profits for dividends for their shareholders. I feel it is perfectly appropriate to pay creditors late if you have cash flow problems, yes it might negatively affect your relationship with them, but if their business model was set up correctly they would earn interest on your arrears or cut you off, because they have other customers. Our primary objective is paying high dividends, if stepping on somebody else's toes (without breaking the law) to achieve that goal is required, then so be it. The business environment is driven by capitalism; it is survival of the fittest. Note, I am not saying every organisation should be profit-focused. I am saying that each organisation has the right to decide what is most important to them, and should not be criticised for exercising that right. The concept of value creation has this idea that the business world is all sunshine and rainbows and everybody has a smile on their face at the end of the day. Ethically, this is a very nice ideal to strive towards, but it is impossible to achieve and unpractical in the modern business environment. Value creation should be modelled around a stakeholder hierarchy, once we know which stakeholders are the most important to us, we can start developing methods to measure the value created for them, once value creation can be measured, it will be implemented much more effectively in individual roles."*

Although it is highly unlikely that an organisation would ever publicly admit to it, it is worth asking if it is realistic for an organisation to create value for all of its stakeholders simultaneously. Is a "stakeholder hierarchy," as the respondent proposes, a viable option; perhaps in prioritising the expectations and the allocation of resources. The submission is definitely expanding on the stakeholder literature explored in this study, especially when looking at the model of Freudenreich et al. (2019) and identifying the value contribution of each relationship and then prioritising conflicting resources from the highest value contribution. This submission provides invaluable insight to the honest reality that certain elements of value creation could potentially be too idealistic in practice when it comes to attempting to realise that which is recommended on paper.

Furthermore, it is worth noting that the reason for the disparity among which stakeholders interests the respondents believe they are serving, is due to the direct vs the indirect affect their contribution has on those stakeholders. It is possible for a majority of the respondents to directly contribute to the shareholder, customers and their colleagues, but their interaction and contribution towards the suppliers and local community of the organisation is indirect and therefore, even though the organisation can directly contribute value to these two stakeholder groups, it is much harder to attribute that contribution to the individual. This supports the findings identified through the research of Firk *et al*. (2016) regarding the issues relating to the attribution of the gain or value being created.

All the respondents recognised that the organisation has to have its stakeholders' best interests at heart, and that that is a major part of the value creation process; however, the respondent's personal contribution in that value creation process was more "traceable" for some stakeholders than others. This corresponds with the research discussed in Chapter 2 of this study, which highlights the challenge of isolating the individuals' contribution, within the total value created by the organisation.

5.2.4 Performance and Value Capture

The ability of the management accountant to create value appears to be easier than the ability to capture and then convey or communicate that value.

In a role and on a level within the organisation that requires all contributions to be measured it is clearly an area that requires further examination, as not all the respondents were able to confirm that the value they believe they are creating can be measured. Only 63% confirmed that the value they create could be readily measurable.

This provides a glaring dilemma, for what the incentive is for the individual in creating value. It also means that if value creation activities are to be pursued, the measurable types of value, such as objective and economic value, may receive preference above those types that are not readily measurable. It is one thing for the theory in management accounting to ascribe value creation for the role of a management accountant, but then that theory needs accompanying with the necessary tools to measure that contribution or capture and communicate the value that was created.

Motivation is another major consideration, as identified by Argandoña (2011), in assessing the willingness and likeliness for an individual to pursue value creation. Almost all the respondents confirmed they could potentially produce better results in their ability to create value if additional arrangements, aside from their normal remuneration, were available as incentives for them to pursue those activities.

Both the individual and the organisations' attitude towards value creation is another important variable to consider in the pursuit of value creation activities. Most of the respondents confirmed their organisations also introduced them to value creation and a large majority are all still furthering their professional development through formal academic training to be able to make a more meaningful contribution. These are both necessary variables in creating a value creation culture within an organisation, where the individual and the organisation communicate their commitment to value creation. The organisation can communicate its commitment through explicitly communicating it and encouraging or rewarding this behaviour and the individual can do this through furthering their professional development so that their contribution can be more meaningful.

Putting the incentive or motivation to participate in value creation aside, the problem of measuring the value still persists, as reflected in a submission by one respondent that provides an example of this potential dilemma of allocating or attributing the contribution made by the individual in the value creation process: "…*E.g. - an employee produces revenue for his/her company. As a direct result, this revenue created enables the organisation to donate money to charity (although the revenue created by the particular employee is only a very small portion of this donation, say 1%, this 1% of the donation is still directly attributable to the revenue produced by the employee). This donation enables the charity to put up a homeless shelter, offering beds and warm meals to the homeless. However, for this employee to produce this revenue, there has to be a HR department, paying his/her salary, which should then also be (to a smaller extent) responsible for this revenue produced. How can you accurately measure the amount of value added by this employee and which portion is attributable to the HR department/other supporting functions? I think it is a field of management accounting that requires more research and the development of an objective and accurate model. It is one thing to say "I am creating value", but to accurately measure the amount of value is a very different story. Once there is a model by which one can accurately measure the amount of value added, organisations* *will be able to allocate resources more accurately to roles which are creating more value, which in turn will be more beneficial to stakeholders."*

This answer reflects the challenge a management accountant potentially faces in the workplace. Many management accountants function in cost accountant roles that are responsible for allocating direct and indirect costs to different departments, functions or individuals within an organisation. Allocating indirect costs can be a challenge in itself, but allocating value, both tangible and intangible value, seems an impossible task in itself. It is therefore worth asking at what level should the measurement of value be; should it be on the individual level, or rather the organisational level, or perhaps on the inter-organisational level?

Most of the respondents who confirmed the value they create can be measured, were creating economic value, but those who created more intangible or subjective types of value, confirmed that either their value was not measurable, or that it could not be attributed to an individual. Another interesting submission from a respondent that correlates with some of the more recent research discussed in Chapter 2 of this study was how to illustrate the value creation process: "*Any industry's value chain is like a web, rather than a chain, meaning every stakeholder's actions directly/indirectly influences another's. To isolate an individual part of this web is very difficult, nigh impossible I'd say. Because one can't isolate a part of the web, it's difficult to accurately measure any person's portion.*"

The popular theory of the value chain, as first proposed by Porter (1985), explains the value creation process as a value-chain, but perhaps it is worth looking at the value creation process as a multi-dimensional web, as proposed by Freudenreich (2019), rather than a unilateral chain.

5.3 CONCLUDING REMARKS TO THE FINDINGS AND OBJECTIVES OF THIS STUDY

This chapter included the final comments and discussions from the previous chapters to make the conclusion for the research study through the objectives of each chapter, and the findings thereof. The conclusion, which was based on the main themes identified in Chapter 2, were addressed and expanded on in Chapters 3 and 4 to make the concluding remarks and highlight the findings in Chapter 5.

The primary objective of this study was to understand the management accountant's perception of their performance, and how they created value in their role, and for the organisation.

This research study has succeeded in that purpose through the insight gained through the existing literature discussed in Chapter 2, along with the analysis of the questionnaire responses in Chapter 4.

The research shows that a cavity exists between the management accountant's ability to create value in their role, and the organisation's ability to measure the value created. The feedback suggests that value creation in its current form is overly reliant on the subjectivity of the creator, but value realisation or the capture thereof, is completely reliant on the tools available to the value capturer to confirm or disprove the value created.

With stakeholder expectations in the 21st century demanding ethical behaviour and good corporate governance, along with sustainable business practices, the management accountant continues to play a key strategic role in the organisation's ability to create, capture and communicate the value that the organisation is pursuing.

5.4 CONTRIBUTION OF THIS STUDY

This study attempted to provide insight into the way that management accountants navigate their role with the different expectations from the stakeholders, their organisation and from themselves. It further highlights the ambiguity of what it means to create value, compounded by the lack of tools and frameworks to address or assist in the process of creating, capturing and communicating value.

It is easy for the individual to find ways to create value, but if the organisation does not capture that value or formally request that value, is there objective confirmation that the individual is indeed creating value for the organisation or is that value more for the individual than the organisation? This study has therefore illustrated that the ability to create value is not dependant on only the individual and their contribution; it has to be in tandem with the organisation, who on their part have to create a conducive environment as an incentive for the employees to create value.

The management accountant possesses the necessary skills to create value within their role, but to create value requires more than just skills. The necessary attitude, willingness, capability and capacity to create value are necessary requirements for the individual's long-term investment in value creation. The individual and the organisation need to intentionally collaborate to create an environment that emphasises, allows and encourages the individual to identify, suggest and pursue the available opportunities to participate in value creation activities that provide a clear end-goal on which stakeholder interests are served, and how the individual is contributing in the bigger picture. This creates a synergy in the value creation process that allows for greater impact than previously possible.

5.5 LIMITATIONS OF THIS STUDY

Limitations of this study include the accessibility to the population of management accountants who were the participants in this study. The larger the sample, the more readily certain conclusions can be made about the population that can be transferable to the entire group. However, the sample of the number of participants for this study, compared well to similar other studies.

Another limitation was possibly the average level of experience of the respondents and their duration of employment in the workplace, which could have limited their ability to contribute constructively from their depth of experience in the workplace.

It is also important to bear in mind that the research findings are only the perceptions of the participative management accountants, and not their managers or any other stakeholders.

5.6 RECOMMENDATIONS FOR FURTHER RESEARCH

Regarding the limitations of this study, this study could be repeated on management accountants who have been in the workplace for longer and who function on mainly the strategic level in their organisations, and subsequently compare their answers with those of this study to get a broader overview of the perceptions of management accountants and how they compare or differ across the different variables between the two groups, and to confirm the transferability of the insights shared.

Another opportunity for further research would be to look into the possible development of tools, models or frameworks to assist management accountants in the measuring or capturing of value that is of a more subjective nature, so that it would be easier to implement and drive value creation practices in the workplace.

BIBLIOGRAPHY

Aaker, D.A. & Jacobson, R. 1994. The financial information content of perceived quality. *Journal of Marketing Research*, 31(2):191-201.

Abdel-Kader, M. & Luther, R. 2008. The impact of firm characteristics on management accounting practices: A UK-based empirical analysis. *The British Accounting Review*, 40(1):2-27.

Allott, A., Weymouth, P. & Claret, J. 2000. *Transforming the profession: management accounting is changing*. https://www.cimaglobal.com/Global/UK/Employers/2000-12-31-transformingprofession_techrpt_1200.pdf Date of access: 18 Feb. 2019.

Ameels, A., Bruggeman, W. & Scheipers, G. 2002. *Value-based management control processes to create value through integration: a literature review*. Belgium: Vlerick Leuven Gent Management School.

Amit, R. & Zott, C. 2010. *Business model innovation: Creating value in times of change*. Barcelona: IESE Business School of Navarra.

Argandoña, A. 2011. *Stakeholder theory and value creation*. Barcelona: IESE Business School Working Paper No. 992.

Audi, R. 2003. Intrinsic value and reasons for action. *The Southern Journal of Philosophy*, 41(s):30-56.

Ayuso, S., Rodríguez, M.A., García-Castro, R. & Ariño, M.A. 2014. Maximizing stakeholders' interests: An empirical analysis of the stakeholder approach to corporate governance. *Business Society*, 53(3):414-439.

Baldvinsdottir, G., Mitchell, F. & Nørreklit, H. 2010. Issues in the relationship between theory and practice in management accounting. *Management Accounting Research*, 21(2):79-82.

Barney, J. 1991. Firm resources and sustained competitive advantage. *Journal of Management*, 17(1):99-120.

Beal, D. 2017. *Total Societal Impact: A New Lens for Strategy*. https://www.bcg.com/publications/2017/total-societal-impact-new-lens-strategy.aspx Date of access: 18 Feb. 2019.

Blair, L. 2016. *Writing a graduate thesis or dissertation*. Canada: Sense publishers.

Bose, S. & Thomas, K. 2007. Valuation of intellectual capital in knowledge-based firms: The need for new methods in a changing economic paradigm. *Management Decision*, 45(9):1484-1496.

Bowen, G.A. 2008. Naturalistic inquiry and the saturation concept: a research note. *Qualitative Research*, 8(1):137-152.

Bowman, C. & Ambrosini, V. 2000. Value creation versus value capture: towards a coherent definition of value in strategy. *British Journal of Management*, 11(1):1-15.

Bowman, C. & Ambrosini, V. 2007. Identifying valuable resources. *European Management Journal*, 25(4):320-329.

Brace, I. 2018. *Questionnaire design: How to plan, structure and write survey material for effective market research*. Kogan Page Publishers.

Brandenburger, A.M. & Stuart Jr, H.W. 1996. Value-based business strategy. *Journal of Economics & Management Strategy*, 5(1):5-24.

Brandfinance. 2018. *Global Intangible Finance Tracker (GIFT™) 2018 — an annual review of the world's intangible value*. https://brandfinance.com/images/upload/gift.pdf Date of access: 4 Mar. 2019.

Brands, K. & Holtzblatt, M. 2015. Business Analytics: Transforming the Role of Management Accountants. *Management Accounting Quarterly*, 16(3).

Breuer, H. & Lüdeke-Freund, F. 2017. Values-based network and business model innovation. *International Journal of Innovation Management,* 21(03):1750028.

Burkert, M. & Lueg, R. 2013. Differences in the sophistication of Value-based Management–The role of top executives. *Management Accounting Research*, 24(1):3-22.

Busco, C., Frigo, M.L., Paolo, Q. & Angelo, R. 2014. Leading practices in integrated reporting: management accountants will guide their companies on the journey to value creation. *Strategic Finance*, 96(9):23-32.

Byrne, S. & Pierce, B. 2007. Towards a more comprehensive understanding of the roles of management accountants. *European Accounting Review*, 16(3):469-498.

Caine, K. 2016. Local standards for sample size at CHI. *In proceedings of the 2016 CHI conference on human factors in computing systems*, pp. 981-992.

Carney, M. 2014. Inclusive capitalism. *In speech at the Conference on Inclusive Capitalism*, 27:83-110.

Carter, S.M. & Little, M. 2007. Justifying knowledge, justifying method, taking action: Epistemologies, methodologies, and methods in qualitative research. *Qualitative Health Research*, 17(10):1316-1328.

CGMA. 2012. A decade of change - the evolution of value creation. https://www.cgma.org/content/dam/cgma/resources/reports/downloadabledocuments/ledgers-ch1-decadeofchange.pdf Date of access: 18 Feb. 2019.

Cheng, M., Green, W., Conradie, P., Konishi, N. & Romi, A. 2014. The international integrated reporting framework: key issues and future research opportunities. *Journal of International Financial Management & Accounting*, 25(1):90-119.

CIMA. 2015. 2015 CIMA Professional Qualification Syllabus. In Accountants, C.I.O.M. (Ed.).

CIMA. 2019. 2019 CIMA Professional Qualification Syllabus. In Accountants, C.I.O.M. (Ed.).

Cinquini, L. & Tenucci, A. 2010. Strategic management accounting and business strategy: a loose coupling? *Journal of Accounting & Organizational Change*, 6(2):228-259.

Clarke, H.D., Goodwin, M.J., Goodwin, M. & Whiteley, P. 2017. *Brexit*. Cambridge University Press.

CMA. 2019. *About ICMA – On Target*. https://www.cmawebline.org/ontarget/about-icma/ Date of access: 18 Feb. 2019.

Conway, S.L., O'Keefe, P.A. & Hrasky, S.L. 2015. Legitimacy, accountability and impression management in NGOs: The Indian Ocean Tsunami. *Accounting, Auditing Accountability Journal*, 28(7):1075-1098.

Dreyer, J.S. 1998. The researcher: Engaged participant or detached observer?. *Journal of Empirical Theology,* 11(2):5-22.

Dudovskiy, J. 2016. *The ultimate guide to writing a dissertation in business studies: a step-by-step assistance*. Pittsburgh, USA.

Dunphy, D. 2003. Corporate sustainability: challenge to managerial orthodoxies. *Journal of Management and Organization*, 9(1):2.

Encyclopedia.com. 2020. “Value, Subjective”. *International Encyclopedia of the Social Sciences*. https://www.encyclopedia.com/social-sciences/applied-and-social-sciences-magazines/value-subjective Date of access: 4 Jun. 2020.

Ernst & Young. 2017. *Ernst & Young*. Embankment project for inclusive capitalism. https://www.ey.com/Publication/vwLUAssets/EY-the-embankment-project-for-inclusive-capitalism-report/$FILE/EY-the-embankment-project-for-inclusive-capitalism-report.pdf Date of access: 4 Mar. 2019.

Ernst & Young. 2013. *Ernst & Young*. Value creation background paper for IR. http://integratedreporting.org/wp-content/uploads/2013/07/IR-Background-Paper-Value.pdf Date of access: 18 Feb. 2019.

Figge, F. & Hahn, T. 2004. Sustainable value added—measuring corporate contributions to sustainability beyond eco-efficiency. *Ecological Economics*, 48(2):173-187.

Firk, S., Schrapp, S. & Wolff, M. 2016. Drivers of value creation—The role of value-based management and underlying institutions. *Management Accounting Research*, 33:42-60.

Fleischman, R.K. & Parker, L.D. 1990. Managerial accounting early in the British industrial revolution: The Carron Company, a case study. *Accounting and Business Research*, 20(79):211-221.

Florea, R. & Florea, R. 2013. Value driven management implementation–a comparative study in EU SME's. *Internal Audit and Corporate Governance*, 16:79.

Freeman, R.E. 2010. *Strategic management: A stakeholder approach*. Cambridge university press.

Freeman, R.E. & McVea, J. 2001. A stakeholder approach to strategic management. *The Blackwell Handbook of Strategic Management*, pp.189-207.

Freudenreich, B., Lüdeke-Freund, F. & Schaltegger, S. 2019. A stakeholder theory perspective on business models: Value creation for sustainability. *Journal of Business Ethics*, 166(1):16.

Garcés-Ayerbe, C., Rivera-Torres, P. & Murillo-Luna, J.L. 2012. Stakeholder pressure and environmental proactivity: Moderating effect of competitive advantage expectations. *Management Decision*, 50(2):189-206.

Garriga, E. 2014. Beyond stakeholder utility function: Stakeholder capability in the value creation process. *Journal of Business Ethics*, 120(4):489-507.

Georgescu-Roegen, N. 1993. The entropy law and the economic problem. *Valuing the Earth: Economics, Ecology, Ethics*, pp.75-88.

Gleeson-White, J. 2015. *Six capitals, or can accountants save the planet?: Rethinking capitalism for the twenty-first century*. WW Norton & Company.

Gordon, B.J. 1964. Aristotle and the development of value theory. *The Quarterly Journal of Economics*, 78(1):115-128.

Gray, R. 2006. Social, environmental and sustainability reporting and organisational value creation?. *Accounting, Auditing & Accountability Journal*, 19(3):319-348.

Gray, V. 2007. *Xenophon on government*. Cambridge university press.

Gupta, A.D. 1960. Adam Smith on value. *Indian Economic Review*, 5(2):105-115.

Hansell, G. 2012. Value Patterns: The Concept. https://www.bcg.com/publications/2012/value-creation-strategy-corporate-strategy-portfolio-management-value-patterns.aspx Date of access: 18 Feb. 2019.

Hansell, G. 2013. VF Corporation's TSR-Led Transformation. https://www.bcg.com/publications/2013/value-creation-strategy-vf-corporations-tsr-transformation.aspx Date of access: 18 Feb. 2019.

Hansell, G. 2017. Value Creation and Corporate Reinvention. https://www.bcg.com/publications/2017/value-creation-corporate-reinvention.aspx Date of access: 18 Feb. 2019.

Harrison, J.S. & Wicks, A.C. 2013. Stakeholder theory, value, and firm performance. *Business ethics quarterly*, 23:97-124.

Harrison, J.S., Bosse, D.A. & Phillips, R.A. 2010. Managing for stakeholders, stakeholder utility functions, and competitive advantage. *Strategic Management Journal*, 31(1):58-74.

Hart, S.L. & Milstein, M.B. 2003. Creating sustainable value. *Academy of Management Perspectives*, 17(2):56-67.

Haslam, C., Tsitsianis, N., Andersson, T. & Gleadle, P. 2015. Accounting for business models: Increasing the visibility of stakeholders. *Journal of Business Models*, 3(1):62-80.

Hellsten, U. & Klefsjö, B. 2000. TQM as a management system consisting of values, techniques and tools. *The TQM Magazine*, 12(4):238-244.

Hillman, A.J. & Keim, G.D. 2001. Shareholder value, stakeholder management, and social issues: What's the bottom line?. *Strategic Management Journal*, 22(2):125-139.

Hofmann, E. 2003. The flow of financial resources in the supply chain: creating shareholder value through collaborative cash flow management. *Wiesbaden*, pp. 94-117.

Hörisch, J., Freeman, R.E. & Schaltegger, S. 2014. Applying stakeholder theory in sustainability management: Links, similarities, dissimilarities, and a conceptual framework. *Organization Environment*, 27(4):328-346.

Hyde, K.F. 2000. Recognising deductive processes in qualitative research. *Qualitative Market Research: An International Journal*, 3(2):82-98.

Ioana, D. & Adriana, T. 2013. New corporate reporting trends. Analysis on the evolution of integrated reporting. *Annals of the University of Oradea, Economic Science Series,* 22(1):1221-1228.

Ittner, C.D. & Larcker, D.F. 2001. Assessing empirical research in managerial accounting: a value-based management perspective. *Journal of Accounting Economics*, 32(1-3):349-410.

Ittner, C.D. & Larcker, D.F. 2003. Coming up short on nonfinancial performance measurement. *Harvard Business Review*, 81(11):88-95.

Iyibildiren, M. 2017. Effects of Management Accounting Practices and Performance Measurement on the Perception of Business Performance: Field Study on Organized Industrial Zone of Konya. *Journal of Knowledge Management, Economics and Information Technology*, 7(4):14.

Järvenpää, M. 2007. Making business partners: a case study on how management accounting culture was changed. *European Accounting Review*, 16(1):99-142.

Jensen, M.C. 2010. Value maximization, stakeholder theory, and the corporate objective function. *Journal of Applied Corporate Finance*, 22(1):32-42.

Kamal, O., Brown, D., Sivabalan, P. & Sundin, H. 2015. Accounting information and shifting stakeholder salience: an industry level approach. *Qualitative Research in Accounting*, 12(2):172-200.

Kamal, S. 2015. Historical evolution of management accounting. *The Cost Management,* 43(4):12-19.

Kammel, B. 2019. People Trust Their Boss a Lot More Than the Government or the Media. *Bloomberg*. https://www.bloomberg.com/news/articles/2019-01-20/employees-use-workplace-as-source-of-trust-as-pessimism-persists Date of access: 18 Feb. 2019.

Kang, S.C., Morris, S.S. & Snell, S.A. 2007. Relational archetypes, organizational learning, and value creation: Extending the human resource architecture. *Academy of Management Review*, 32(1):236-256.

Killam, L. 2013. *Research terminology simplified: Paradigms, axiology, ontology, epistemology and methodology*. Laura Killam.

Krauss, S.E. 2005. Research paradigms and meaning making: A primer. *The Qualitative Report*, 10(4):758-770.

Krejcie, R.V. & Morgan, D.W. 1970. Determining sample size for research activities. *Educational Psychological Measurement*, 30(3):607-610.

Lado, A.A. & Wilson, M.C. 1994. Human resource systems and sustained competitive advantage: A competency-based perspective. *Academy of Management Review*, 19(4):699-727.

Langfield-Smith, K. 1997. Management control systems and strategy: a critical review. *Accounting, Organizations Society*, 22(2):207-232.

Laszlo, C. 2008. *Sustainable value: How the world's leading companies are doing well by doing good*. Stanford University Press.

Lepak, D.P., Smith, K.G. & Taylor, M.S. 2007. Value creation and value capture: A multilevel perspective. *Academy of Management Review*, 32(1):180-194.

Lin, A.C. 1998. Bridging positivist and interpretivist approaches to qualitative methods. *Policy Studies Journal,* 26(1):162-180.

Lippman, S.A. & Rumelt, R.P. 2003. A bargaining perspective on resource advantage. *Strategic Management Journal*, 24(11):1069-1086.

Lockhart, J.C. & Taitoko, M. 2005. An examination of shareholder-stakeholder governance tension: A case study of the collapses of Ansett Holdings and Air New Zealand. *Advances in Public Interest Accounting*, 11(1):223-246.

Lukka, K. & Vinnari, E. 2014. Domain theory and method theory in management accounting research. *Accounting, Auditing Accountability Journal*, 27(8):1308-1338.

Malmi, T. 2016. Managerialist studies in management accounting: 1990–2014. *Management Accounting Research*, 100(31):31-44.

Martin, J.D. & Petty, J.W. 2001. *Value based management: the corporate response to the shareholder revolution*. Oxford University Press.

Marx, K. 1910. *Value, Price, and Profit*. CH Kerr & Company.

Massa, L., Tucci, C.L. & Afuah, A. 2017. A critical assessment of business model research. *Academy of Management Annals*, 11(1):73-104.

McGrath, R.G. 2010. Business models: A discovery driven approach. *Long Range Planning*, 43(2-3):247-261.

McNair, C.J., Polutnik, L. & Silvi, R. 2001. Cost management and value creation: the missing link. *European Accounting Review,* 10(1):33-50.

Meho, L.I. 2006. E-mail interviewing in qualitative research: A methodological discussion. *Journal of the American Society for Information Science Technology,* 57(10):1284-1295.

Minichiello, V., Aroni, R. & Minichiello, V. 1990. *In-depth interviewing: Researching people*. Longman Cheshire.

Mohamed, A.A. & Jones, T. 2014. Relationship between strategic management accounting techniques and profitability–a proposed model. *Measuring Business Excellence*, 18(3):1-22 .

Möller, K.K. & Törrönen, P. 2003. Business suppliers' value creation potential: A capability-based analysis. *Industrial Marketing Management,* 32(2):109-118.

Mooya, M.M. 2016. Aristotle to Marshall: The Evolution of Economic Value Theory. *In Real Estate Valuation Theory: A Critical Appraisal.* Berlin: Springer. pp. 23-41.

Morrow, M. 1992. *Activity-based management: New approaches to measuring performance and managing costs*. Woodhead-Faulkner.

Morse, J.M. & Field, P.A. 1995. *Nursing research: The application of qualitative approaches*. Nelson Thornes.

Nkwake, A.M. 2013. *Why are Assumptions Important? Working with assumptions in international development program evaluation*. New York, NY: Springer. pp. 25-50.

Oesterreich, T.D. & Teuteberg, F. 2019. The role of business analytics in the controllers and management accountants’ competence profiles: An exploratory study on individual-level data. *Journal of Accounting and Organizational Change*, *15*(2):330-356.

O’reilly, M. & Parker, N. 2013. ‘Unsatisfactory Saturation’: a critical exploration of the notion of saturated sample sizes in qualitative research. *Qualitative Research*, 13(2):190-197.

Omran, M., Atrill, P. & Pointon, J. 2002. Shareholders versus stakeholders: corporate mission statements and investor returns. *Business Ethics: A European Review*, 11(4):318-326.

Ovunda, A.S. 2015. The development of cost and management accounting: A historical perspective. *European Journal of Humanities Social Sciences*, 34(1).

Parker, L.D. & Northcott, D. 2016. Qualitative generalising in accounting research: concepts and strategies. *Accounting, Auditing and Accountability Journal*, 29(6):1100-1131.

Peppard, J. & Rylander, A. 2006. From value chain to value network: Insights for mobile operators. *European Management Journal*, 24(2-3):128-141.

Pitelis, C.N. 2009. The co-evolution of organizational value capture, value creation and sustainable advantage. *Organization Studies*, 30(10):1115-1139.

Porter, M.E. & Kramer, M.R. 1985. Competitive advantage: creating and sustaining superior performance. *Insights,* 1:3-52.

Porter, M.E., Hills, G., Pfitzer, M., Patscheke, S. & Hawkins, E. 2012. Measuring shared value: How to unlock value by linking business and social results. *Harvard Business Review*, 84(12):78-92.

Prahalad, C.K. & Ramaswamy, V. 2004. Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing*, 18(3):5-14.

Resnik, D.B. 2015. What is ethics in research & why is it important. National Institute of Environmental Health Sciences. https://www.niehs.nih.gov Date of access: 18 Feb. 2019.

Ricardo, D. 1992. *David Ricardo: Notes on Malthus's' Measure of Value'.* Cambridge University Press.

Rieg, R. 2018. Tasks, interaction and role perception of management accountants: evidence from Germany. *Journal of Management Control*, 29(2):183-220.

Sachs, S. & Rühli, E. 2011. *Stakeholders matter: A new paradigm for strategy in society*. Cambridge University Press.

Salkind, N.J. 2010. *Encyclopedia of research design, volume 1*. Sage.

Samant, S.M. & Sangle, S.J. 2016. A selected literature review on the changing role of stakeholders as value creators. *World Journal of Science, Technology and Sustainable Development,* 13(2):100-119.

Samant, S.M., Sangle, S. & Daulatkar, S.J. 2016. Co-Creation with Stakeholders: The Key to Enhancing Sustainable Value. *International Journal of Social Ecology and Sustainable Development,* 7(3):34-46.

Schilizzi, S. 2000. *The economics of ethical behaviour and environmental management.* 44th Annual Conference of the AARES, January 23-25, 2000.

Schneider, T. & Sachs, S. 2017. The impact of stakeholder identities on value creation in issue-based stakeholder networks. *Journal of Business Ethics*, 144(1):41-57.

Sen, A. 2004. Capabilities, lists, and public reason: continuing the conversation. *Feminist Economics*, 10(3):77-80.

Shank, J.H., Govindarajan, V. & Govindarajan, S. 1993. *Strategic cost management: The new tool for competitive advantage*. Simon and Schuster.

Smith, K.G., Collins, C.J. & Clark, K.D. 2005. Existing knowledge, knowledge creation capability, and the rate of new product introduction in high-technology firms. *Academy of Management Journal*, 48(2):346-357.

Starik, M. & Kanashiro, P. 2013. Toward a theory of sustainability management: Uncovering and integrating the nearly obvious. *Organization Environment*, 26(1):7-30.

Statista. 2019. *Amazon's global brand value from 2006 to 2019*. https://www.statista.com/statistics/326086/amazon-brand-value/ Date of access: 1 Oct. 2019.

Stein, S. 2014. 6 types of capital. *AICPA*, 4 Dec. https://www.aicpastore.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2014/CorpFin/6-types-of-capital.jsp Date of access: 1 Mar. 2019.

Sudman, S. & Bradburn, N.M. 1973. Effects of time and memory factors on response in surveys. *Journal of the American Statistical Association*, 68(344):805-815.

Taylor, S.J., Bogdan, R. & DeVault, M. 2015. *Introduction to qualitative research methods: A guidebook and resource*. John Wiley & Sons.

Tesch, R. 2013. *Qualitative research: Analysis types and software*. Routledge.

Thomas, D.R. 2006. A general inductive approach for analyzing qualitative evaluation data. *American Journal of Evaluation*, 27(2):237-246.

Tigerstedt, E.N. 1977. *Interpreting Plato*. Almqvist & Wiksell International.

Ulaga, W. 2003. Capturing value creation in business relationships: A customer perspective. *Industrial Marketing Management*, 32(8):677-693.

Upward, A. & Jones, P. 2016. An ontology for strongly sustainable business models: Defining an enterprise framework compatible with natural and social science. *Organization Environment*, 29(1):97-123.

Vanson, S. 2014. What on earth are Ontology and Epistemology?. *TPS the Performance Solution*, pp. 4-13.

Wanderley, C. & Cullen, J. 2013. Management accounting change: A review. *Revista Base da UNISINOS,* 10(4):294-307.

Wanderley, C. & Cullen, J. 2012. Management Accounting Research: Mainstream versus alternative approaches. *Contabilidade Vista & Revista*, 22(4):15-44.

Weinberger, M. 2019. *How does business create value in the 21st century?*. https://www.ey.com/en_gl/trust/how-does-business-create-value-in-the-21st-century Date of access: 18 Feb. 2019.

Wright, P.M. & McMahan, G.C. 1992. Theoretical perspectives for strategic human resource management. *Journal of Management*, 18(2):295-320.

YCharts. 2019. *Amazon.com Market Cap*. https://ycharts.com/companies/AMZN/market_cap Date of access: 1 Oct. 2019.

Younkins, E. 2005. *Aristotle and Economics*. http://www.quebecoislibre.org/05/050915-11.html Date of access: 18 Feb. 2019.

Zollo, M. & Winter, S.G. 2002. Deliberate learning and the evolution of dynamic capabilities. *Organization Science*, 13(3):339-351.

Zwikael, O. & Smyrk, J. 2011. *Project management for the creation of organisational value*. Springer.

ANNEXURES

APPENDIX I QUESTIONNAIRE

Personal Information

Name:________________________

1. Name of position held in organisation: ________________________________

2. What qualifications do you currently hold?

3. Are you currently employed as a management accountant?

4. How long have you been employed at the company you are currently working for?

5. How long have you been employed since completing your studies?

6. Which option in the list below best describes the industry that the company you are currently working for primarily operates in?

- ☐ Accounting
- ☐ Consulting
- ☐ Manufacturing
- ☐ Mining
- ☐ Logistics
- ☐ Data Analytics
- ☐ Banking
- ☐ Education
- ☐ Other____________________

7. Which option best describes the role you are currently working in within the organisation?

- ☐ Operational role
- ☐ Managerial role
- ☐ Strategic role

8. Please provide a brief description or list of the duties in your role.

9. The theory in management accounting explains that one of the roles of a management accountant is to "create value". Have you ever heard this before? If so, from where did you hear it the first time and when did you hear about it?

10. What is your understanding of what it means to “create value" in the role of a management accountant?

11. Do you believe you are currently creating value for the organisation within your role?

12. Please explain your answer in the previous question. If you believe you are adding value, in what way are you doing so? If not, why don’t you think you are adding value?

13. Please indicate from the list which of the different types of value you believe you are currently adding.

- ☐ Economic value - quantifiable in economic terms and is expressed in a monetary value. E.g. performing a service that has a price to measure it.
- ☐ Philosophical value - may be defined as ethical behaviour and a moral contribution to the environment. E.g. taking people and the environment into consideration when making decisions that may impact them.
- ☐ Subjective value - Beauty, goodness, truth, justice, timeliness, etc. are thus examples of subjective value. It relates more to the way in which a person views through their own experiences. E.g. would be that the way in how a person weighs up different options and how certain characteristics are valued in comparing decisions.
- ☐ Objective value – lies outside of the individual and is not dependant on a person’s view or belief. Uses an external framework to measure and value different tasks or actions or decisions. E.g. using a balance scorecard or KPI’s to measure progress.

14. Considering the five most frequent categories of stakeholders for a particular case (shareholders, employees, customers, suppliers, other members of the local community), do you believe your role creates an advantage for any of them?

15. Please elaborate on your answer to the previous question by explaining that if you believe you are creating an advantage for any of the listed stakeholders, to which ones and in what way? If not, please elaborate on why this is not the case.

16. Is it possible for the value that you are creating to be measured? If your answer is “yes”, please elaborate on how it would be done, if your answer is "no", leave please explain why this is not possible.

17. Could other arrangements than payment for your normal time and labour (e.g. payment for a specified service or performance above what is expected) lead to better results in your role?

18. Are you currently furthering your professional development? If so, how?

19. Do you have a performance measurement plan or KPI's according to which your performance is measured by the company you are currently employed in?

20. Does the company you are employed in emphasise “value creation”? E.g. Were you introduced to the concept of value creation within the company through an induction period or workshops or training or a value system that explicitly focuses on value creation within the company?

21. What more do you think you can do to be better in "creating value" for the company within your role?

22. Do you think your answer to the previous question is practical and sustainable within the role you currently have?

23. Do you have any further thoughts/ insights/comments that you would like to share on the topic of “value creation” in the context of management accounting?

APPENDIX II CONSENT FORM FOR PARTICIPATION

CONSENT FORM FOR PARTICIPATION IN A RESEARCH STUDY OF NWU

Paper, people and performance:

Management accountants' perceptions of value creation

Description of the research and your required participation

You are hereby invited to participate in a research study conducted by Mr JJ Hugo.

The purpose of this research is to gain insight into the experiences of management accountant's regarding value creation and performance measurement in their role.

Your participation will involve answering 23 questions that explore different themes and topics relating to the purpose mentioned. The questionnaire will take you approximately 10 minutes to complete and can be done at a time and place that is suitable for you.

Protection of confidentiality

All information obtained in this study is strictly confidential and will in no way be identifiable to you as a participant. The questionnaire will not ask you for any personal information that could be linked back to you and jeopardise you in any way. The nature of the information required also pertains to your experiences in general and does not require you to allude to any company specific information.

Voluntary participation

Your participation in this research study is voluntary. You may choose not to

participate and you may withdraw your consent to participate at any time. You will not be penalised in any way should you decide not to participate or to withdraw from this study.

This questionnaire has been sent to the email you have provided by means of the Google Forms platform. By completing the questionnaire and submitting it via your email you give consent and permission that the answers that you have provided may be used for this study.

Contact information

If you have any questions or concerns about this study, please contact Jacques at +27 836508384 or jjhugoboss@gmail.com.

Thank you kindly for your participation.

APPENDIX III ETHICAL CLEARANCE

NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT

Private Bag X6001, Potchefstroom
South Africa 2520

Tel: 018 299-1111/2222
Web: http://www.nwu.ac.za

Economic and Management Sciences Research
Ethics Committee (EMS-REC)
Tel: 018 299-1427
Email: Bennie.Linde@nwu.ac.za

31 May 2019

Prof D Schutte
Per e-mail

Dear Prof Schutte,

FEEDBACK – ETHICS APPLICATION 31052019 – J Hugo (23415800)(NWU-00747-19-A4) MCom in Management Accountancy – Prof D Schutte

Your ethics application on, *Paper, people and performance – management accountants' perceptions of value creation* that served on the EMS-REC meeting of 31 May 2019 refers.

Outcome:

The study is approved as minimal risk and registered with the following ethics clearance number: NWU-00747-19-A4. Please note that this registration is valid for three years. Kindly provide the cover letter to the questionnaire for the registration to be activated.

Kind regards,

X

Prof Mark Rathbone
Deputy Chairperson: Economic and Management Sciences Research Ethics Committee (EMS-REC)Potchefstroom

Do not type here

APPENDIX IV PROOF OF LANGUAGE EDITING

Gill Smithies

Proofreading & Language Editing Services

59, Lewis Drive, Amanzimtoti, 4126, Kwazulu Natal

Cell: 071 352 5410 E-mail: moramist@vodamail.co.za

Work Certificate

To	Mr. J. Hugo
Address	School of Accounting, North West University, Potchefstroom
Date	29/10/2020
Subject	Research Proposal – Paper, people and performance: Creating value and measuring performance from the management accountant's perspective
Ref	GS/JH/01

I, Gill Smithies, certify that I have proofed the following for language, grammar and style,

Research Proposal – Paper, people and performance: Creating value and measuring performance from the management accountant's perspective. by J. Hugo.

to the standard as required by NWU, Potchefstroom Campus.

Gill Smithies

Work Certificate