

The Relationship between Organizational Culture and Application of Management Accounting Innovation: Evidence from Iran

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Abstract : Culture affects the ability of the organization in expressing and achieving the goals. Organizational culture influences the selection of instruments applied in the management of organizations. All the instruments applied in organizations to control, promote and create innovations are influenced by organizational culture. This research studies organizational culture based on the cultural model of Muijen and its relationship with applying management accounting innovations in Iranian listed firms. Management accounting innovations of this study include activity-based costing, activity-based management, balanced scorecard, target costing, standard costing, quality costing, Kaizen costing and dimensions of organizational culture include support orientation, innovation orientation, rules orientation and goal orientation. 105 questionnaires were sent to financial executives of production companies and 73 questionnaires were returned. The findings show that there is a significant difference between organizational culture of firms that have applied management accounting innovations and those which have used these innovations less. Also, dimensions of support orientation and culture goal orientation are the highest in groups that apply management accounting innovations. The findings suggest that proper organization culture could promote the use of management accounting tools in Iranian firms.

Keywords : organizational culture, innovation, management accounting, muijen model

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