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PARAMETERS OF INTERACTION BETWEEN THE STRATEGIC ACCOUNTING SYSTEM AND STRATEGIC MANAGEMENT

ПАРАМЕТРИ ВЗАЄМОДІЇ СИСТЕМИ СТРАТЕГІЧНОГО ОБЛІКУ ТА СТРАТЕГІЧНОГО УПРАВЛІННЯ

Abstract. The efficiency of enterprises depends on the correct and timely assessment of past events, the current state, and the determination of strategy. The adaptation of an enterprise's internal capabilities to external threats is carried out through strategic management, which relies on accounting and analytical support. The lack of consensus on the relationship between strategic management and accounting gives rise to various options and does not allow the construction of a unified concept for the further development of accounting within the strategic management system. The analysis of possible options for the correlation between strategic management and accounting has shown that businesses can independently determine ways of interaction and build a unified system for the strategic development of the enterprise within their own policies.

Keywords: strategic management, enterprise accounting system, accounting, strategic accounting, strategic accounting information.

Анотація. Проблема. Ефективність діяльності підприємств бізнесу в сучасних умовах господарювання залежить від правильної та своєчасної оцінки своїх результатів минулих подій і операцій, теперішнього стану та визначення потенціалу і стратегії подальшого розвитку. Адаптація внутрішніх можливостей підприємства до зовнішніх загроз та середовища діяльності здійснюється через управління. Прийняття та реалізації стратегічних, дієвих та ефективних управлінських рішень напряму залежить від обліково-аналітичного забезпечення. **Мета.** Аналіз актуальних підходів та дослідження можливості максимально ефективної взаємодії обліково-аналітичної системи та стратегічного менеджменту. **Методи дослідження.** В процесі дослідження використано метод групування, узагальнення та критичних оцінок. **Результати дослідження.** На даний момент між науковцями немає єдності у поглядах щодо взаємозв'язку стратегічного менеджменту та бухгалтерського обліку, що породжує різноманітні варіанти і не дозволяє побудувати єдину концепцію подальшого розвитку бухгалтерського обліку в системі стратегічного менеджменту. Проте є визначені можливі варіанти співвідношення стратегічного менеджменту та бухгалтерського обліку. Аналіз показав, що основною проблемою неможливості практично ефективно реалізувати можливості системи стратегічного обліку як засобу інформаційного забезпечення стратегічного управління є відсутність глибоких теоретичних напрацювань з даної проблематики. **Висновки та пропозиції.** Кожен із підходів заслуговує на увагу, але доцільними є використання бухгалтерського обліку як інструменту комплексного або часткового інформаційного супроводу процесу розробки та реалізації стратегій підприємства. Визначені можливі варіанти взаємодії стратегічного менеджменту та стратегічного обліку також дають можливість бізнес-структурам самостійно в межах власної політики визначати шляхи взаємодії і будувати єдину систему стратегічного розвитку підприємства на основі використання існуючого та розробки нового методологічного інструментарію бухгалтерського обліку в напрямі поглиблення його стратегічної орієнтації.

Ключові слова: стратегічне управління, облікова система підприємства, бухгалтерський облік, стратегічний облік, інформація стратегічного обліку.

Problem statement and relevance. Modern conditions of enterprises in Ukraine, characterized by the complication and extremely difficult conditions of the external environment, along with rapid negative and positive changes, require a holistic model for assessing their performance. For effective management in today's conditions, each enterprise

must clearly orient itself and correctly assess the results of past events and operations, the current state, and its potential, and determine the strategy for further development. The adaptation of enterprises to the external environment is carried out through management, by making and implementing strategic, effective, and efficient management decisions.

A key factor in ensuring the effectiveness of management is a well-organized accounting system. At the end of the 19th century, Johann Friedrich Scher wrote that accounting is the infallible judge of the past, a necessary guide for the present, and a reliable consultant for the future of every enterprise.

Global experience and domestic practice indicate that strategic management is an important tool for ensuring the competitiveness of an enterprise in the market, increasing its ability to withstand unforeseen situations, reducing the impact of uncertainty on the enterprise's activities, determining the vector of development, and prioritizing areas of activity. In this regard, issues related to the information support of the strategic management process of the enterprise's activities become particularly significant and relevant. The importance of accounting, analysis, and substantiation of the enterprise's development strategy is growing.

Analysis of recent research and publications. The issues of the emergence of strategic accounting have been raised in the works of renowned foreign scholars: M. Bromwich, C. Drury, J. Innes, R. Lord, L. Parker, K. Simmonds, M. Smith, S. Chapman, and others. Problems related to improving the accounting and analytical information support for making strategic management decisions have been addressed by domestic scientists such as: P. Y. Atamas, I. V. Boyko, M. V. Bolduyev, R. F. Brukhansky, V. M. Heiets, S. F. Golov, A. V. Dovbush, V. D. Zabchuk, A. O. Fatenok-Tkachuk, K. P. Zamoiska, A. O. Kasych, I. I. Krishtopa, O. P. Kundrya-Vysotska, P. O. Kutsyk, S. F. Lehenchuk, O. A. Moshkovska, I. Y. Plikus, I. Y. Pliskun, V. I. Popovych, M. S. Pushkar, V. Z. Semanyuk, T. M. Storozhuk, A. V. Shaikan, V. R. Shevchuk, M. T. Shchyrbra, R. M. Tsyhan, and others.

Today, the necessity of strategic accounting is defined, and its goal is formulated. However, there is no consensus on the need to distinguish strategic accounting as a separate subsystem of accounting, and there is no clear approach to understanding its essence and purpose. Many issues in this area still require in-depth research, among which the primary task is to outline the vectors of the relationship between the concept of strategic management and the accounting system of domestic enterprises.

Purpose of the article. The main purpose of this work is to investigate the interaction between the strategic accounting system and the strategic management of domestic enterprises under current economic conditions.

Presentation of the main research material. According to the laws of physics, any closed system that cannot interact with the external environment becomes chaotic over time. Open systems, which include business enterprises, also become disorganized over time if they are not influenced and regulated. This regulating factor in an enterprise is management. Management plays a central role in the activities of any organization, as for leadership, business development is a continuous and endless process. "For a serious manager, there should be no concepts of "rapid pressure" and "ultimate success". It is necessary to constantly pay attention to details, avoid generally risky decisions, thoroughly analyze favorable opportunities, and clearly maintain the balance of various forces that affect the organization" [14].

The 1970s marked the emergence of the philosophy of strategic management, as it became clear that to achieve competitive advantages, create a positive image of the enterprise, and gain the trust of creditors, investors, and partners,

management needs strategic information. "An enterprise has no future if it does not work for the long term and does not implement a developed strategy for its development" [7, p. 183]. Especially in the context of developing a self-regulating economy, which has the ability to function stably without significant state intervention, the need to provide management with strategic information increases.

There are two types of management: the first is based on the principles of centralized planning, and the second on market regulation mechanisms [11, p. 14]. Market conditions for economic activity are characterized by the creation of a significant number of enterprises of various sizes. At the same time, a considerable number of enterprises cease their activities due to various circumstances. The operation of an enterprise is influenced by various internal and external environmental factors. Often, enterprises cease their activities because they cannot counteract competitors or market changes, while others go bankrupt due to poor management. The conditions in which Ukrainian enterprises operate today are characterized by internal contradictions, imperfect management, and significant external instability (especially now, with the war and all its negative factors), which generates a high degree of uncertainty. In turn, a high degree of uncertainty leads to a low probability of making correct strategic decisions and, consequently, a lack of confidence in achieving results.

As V. V. Sopko wrote, accounting has a pervasive nature and serves as a necessary condition for the consistent execution of all subsequent management functions [15, p. 8]. Therefore, under modern economic conditions, "the accounting system must primarily have a preventive and preemptive character, which, in turn, will contribute to the further development of commodity-money relations, the optimization of the market for means of production, and finished products" [4, p. 117].

One of the management principles defined by American engineer H. Emerson in his 1912 work "Twelve Principles of Productivity" was "quick, reliable, complete, accurate, and continuous accounting" and "written standards and instructions" [5]. M.S. Pushkar and M.T. Shchyrbra identify accounting, analysis, and control as important management tools. "As a service center for generating information for the management process, the accounting system provides important information that allows managers to control current activities, plan tactics and strategies for future development, rationally use limited production resources, and evaluate the performance of the enterprise and its structural units" [13, p. 17].

Accounting is an important component of the enterprise's management structure as it serves as a means of reducing uncertainty. It must be organized in such a way as to ensure effective decision-making by managers at various levels of management. "The strategic management level is the highest level, whose supporting function is strategic accounting and analysis. Strategic management in the context of economic globalization represents a new stage in the development of accounting science" [3, p. 145].

Active changes in the operating environment of enterprises have become one of the factors driving the active development of accounting and reporting. The changing environment has become a catalyst for the evolution of accounting and reporting [9]. Therefore, with the changing business conditions, accounting must also change. "Cosmetic" adjustments will not suffice. The realities of life

demand more significant, radical changes in both theory and practice. Discrepancies between theoretical explanations and empirical data have further stimulated the development of accounting as a science with its own theory and methodology [10, p. 411].

The modern business environment has undergone significant changes due to globalization and the development of information and production technologies. This has inevitably led to substantial changes in the management and organization of business entities' activities. These indirect changes must radically affect the field of accounting, especially its informational functions within the organization. Meeting the needs of management requires expanding the scope of accounting in both space and time. Spatial expansion involves considering the realities and requirements of the external environment. Temporal expansion requires information about the future of the enterprise. "Without a developed accounting system and obtaining information about past, present, and future events of the economic life of the enterprise, it is impossible to make informed management decisions, which is associated with business risks and loss of control over financial and economic activities" [13, p. 16]. An objective prerequisite for improving financial accounting has been the managers' demand for information to predict phenomena and events [13, p. 135].

To ensure the long-term existence of an enterprise, it must adapt to rapid market changes. Therefore, providing management with information about internal and external factors and events is a primary task of the accounting system within the enterprise. Accounting must serve a service function by supplying factual information to the enterprise's management [12, p. 6].

Management as an independent activity has existed throughout the entire history of social production and human development, but it was formed as a science in the 1920s [12, p. 85].

To date, there is no consensus among accounting scholars regarding the relationship between accounting and the concept of strategic management. In most cases, the accounting system is viewed as information support, in others as a component of the strategic management system, while some scholars consider the accounting system to be an object of strategic management. Professor P.O. Kutsyk, describing the current situation, notes that the accounting information system, on the one hand, seems to passively follow the strategy without influencing it, but on the other hand, it plays an active role in strategic management, acting as a mechanism for implementing organizational strategy [8, p. 58].

The difference in views on the relationship between accounting and management systems has led to the emergence of various options for the further development of accounting to improve strategic management within enterprises. This divergence prevents the establishment of a unified concept for the future development of accounting within the strategic management system. Solving this problem is of great importance and relevance due to instability and the presence of crisis phenomena both in the global economy and, especially, in the national economy.

As a result of the conducted research on literary sources by domestic and foreign scholars, R. F. Brukhan-sky [2, pp. 239–241] the following possible options for the relationship between strategic management and accounting have been identified:

The accounting system acts as information support for the strategic management process. This is the most common approach among domestic and foreign researchers. In this approach, accounting is viewed as an information subsystem of the strategic management system, generating accounting information for the development of strategic decision projects and serving as an information source for strategic control. This approach is appropriate, considering the primary informational function of accounting. According to Yu. Barchi, M.G. Shentirmei, and Z. Zeman [1, p. 15] in Western European countries today, a widespread approach considers accounting as a comprehensive information system that describes the process of creating and executing a strategy. In this approach, the accounting system is viewed in its existing form, and accounting information in the form of financial and management reporting can be expanded and supplemented by increasing financial reporting indicators, developing new forms of management reporting, implementing integrated reporting in Ukrainian enterprises, using alternative valuation methods for accounting objects, increasing the number of analytical dimensions and accounts, etc.

2. Strategic accounting (both financial and managerial) is only one stage of strategic management, which ensures scanning the internal and external environment of the enterprise. The feature of this approach is the allocation of a separate functional direction in accounting – strategic accounting (financial and managerial). The use of this approach implies the need for significant changes in the existing accounting methodology, transforming existing accounting principles and values that have been formed over a long historical period. Therefore, the main problem preventing the effective implementation of the strategic accounting system as a means of information support for strategic management in enterprises is the lack of deep theoretical developments on this issue.

3. The accounting system can be one of the tools of the strategic management system due to the implementation of the function of resource redistribution in the national economy. The founders of this approach are E. S. Hendriksen and M. F. Van Breda [6].

The main function of accounting is envisioned as the redistribution of resources in the national economy. Financial reporting information represents the occurrence of economic consequences, which in turn serve as the basis for preference selection by various user groups. According to this approach, the primary task of accounting is to provide society with information about the economic efficiency of business entities, which will become the informational basis for redistributing productive forces between efficient (highly profitable) and unprofitable sectors.

Thus, accounting information disclosed in the financial statements of enterprises is a means of influencing the investment and borrowing decisions of its users, and the accounting system, depending on the type of enterprise strategy and the defined strategic goals, can be viewed as a tool for implementing the strategy.

In modern market economy conditions, an effective and lawful accounting tool for enhancing the implementation of the chosen enterprise strategy can be the enterprise's accounting policy. According to the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" [17] and national accounting standards, an enterprise can apply its own accounting policy, which affects the financial reporting

indicators. In turn, accounting policy, as a means of adjusting financial reporting indicators according to the needs of owners and enterprise management, is a strategic tool that influences the decisions of users of accounting information.

4. The accounting system can serve as an object of strategic management. This approach involves considering the strategic development prospects of the enterprise's accounting system as one of the types of information systems. When this approach is applied, the role of the accounting system in strategic management is dual. On one hand, the accounting system is used as a source of information and a means of scanning its operating environment; on the other hand, it is an object of strategic management, for which a strategy will be formulated and implemented, with evaluation and control of its implementation at the enterprise. This approach assumes that accounting information represents the results of effective or ineffective management decisions regarding the organization of the accounting system at the enterprise. An example of applying this approach is the implementation of a strategy to transition to outsourcing accounting, which involves strategically planned measures and actions that ensure the gradual transfer of accounting tasks from enterprise accounting employees to employees of an outsourcing company.

Each of the four options for the relationship between accounting and the concept of strategic management can be relevant at the current stage of the development of accounting science and practice. Each approach has its supporters, but particular attention should be given to the first two approaches, which consider accounting as a tool for comprehensive or partial information support in the process of developing and implementing enterprise strategies. "Today,

it is an undeniable fact that any information regarding the activities of an enterprise is intended primarily for managers to make effective management decisions" [16, p. 235].

We agree with R.F. Brukhansky [2, p. 242], that these two approaches should be synthesized into a single approach, which will involve developing comprehensive information support for the strategic management of the enterprise based on the use of existing and the development of new methodological tools of accounting to deepen its strategic orientation.

Conclusions. The lack of consensus regarding the place and role of accounting in the strategic management system and the relationship between accounting and management systems has led to the emergence of different approaches to the interaction of these systems and various options for the further development of accounting. The relevance and importance of this problem increase in conditions of instability and the presence of crisis phenomena in both the global economy and, especially, the national economy.

To improve strategic management at an enterprise, it is necessary to build a unified concept for the further development of accounting within the strategic management system, relying on accounting as an information support and guidance tool in the process of developing and implementing enterprise strategy. The foundation of such an accounting system lies in an individual approach and its own accounting policy. The informational support for strategic management should be comprehensive, enabling the adoption of effective strategic decisions today that are aimed at achieving the chosen goals. This requires using existing and developing new methodological tools in accounting to enhance its strategic orientation.

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