

Research on the Integration Path of Enterprise Management Accounting and Financial Accounting: Taking Construction Enterprises as an Example

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Abstract: The rapid pace of economic globalization has presented both unprecedented opportunities and challenges for the construction industry. Management accounting and financial accounting, as integral components of enterprise management, play indispensable roles in the development of construction companies. While both disciplines possess distinct characteristics, the evolving business landscape necessitates a more integrated approach. By combining the strengths and values of both, construction companies can gain valuable insights and make informed decisions. This paper delves into the concepts of management accounting and financial accounting, explores the feasibility of their integration within construction companies, and provides recommendations for implementation to foster sustainable development. The insights and strategies presented in this paper can serve as a valuable reference for other construction companies seeking to optimize their management and operations.

Keywords: Management accounting; Financial accounting; Integration path; Case analysis

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1. Concept definition

Management accounting focuses on internal management and decision-making within an enterprise. By analyzing and interpreting financial data, management accounting provides insights into the company's operational performance, including cost inputs, marketing expenses, and fixed asset depreciation. Enterprise managers and decision-makers utilize this information to make informed decisions that maximize the company's profitability^[1].

Financial accounting primarily records financial data, prepares financial statements, and monitors the financial health of an enterprise. The resulting financial information is crucial for external stakeholders, such as investors and creditors. Financial accounting ensures the accuracy and reliability of financial data, reflecting the company's operating performance and economic activities. The financial information provided by financial

accounting is highly authoritative and credible ^[2].

2. The feasibility of integrating enterprise management accounting and financial accounting

2.1. The realistic basis for the integration of management accounting and financial accounting

The integration of management accounting and financial accounting is grounded in a realistic foundation. The correlation between the two serves as the common element of integration, while their differences represent the divergent elements of integration. The continuous development and progress of enterprises occur through the dynamic interaction of these similarities and differences.

On the one hand, management accounting and financial accounting are integral components of enterprise financial management. Their respective responsibilities and roles aim to advance enterprise growth, enhance economic management efficiency, and provide valuable references for decision-making and the formulation of development objectives. There is also a significant interconnection between management accounting and financial accounting in terms of specific work content. For instance, financial accounting handles the fundamental task of corporate financial data collection, while management accounting utilizes this information for analysis and summarization. Subsequently, financial accounting processes the next stage of data accounting based on the requirements provided by management accounting ^[3]. Thus, management accounting and financial accounting are indispensable for enterprise operations. By organically integrating their functions, enterprises can strengthen financial security, support informed decision-making, and create a foundation for achieving higher-level development goals.

On the other hand, there are distinct differences between management accounting and financial accounting in terms of their service objectives, responsibilities, functions, and accounting methods. First, management accounting primarily focuses on the development of enterprises at the macro level, whereas financial accounting emphasizes micro-level enterprise operations. Second, management accounting is designed to provide decision-makers with a basis and reference for planning, while financial accounting centers on detailing the specific financial status of enterprises. Third, management accounting employs flexible and diverse methodologies, whereas financial accounting adheres strictly to established norms and standards.

2.2. Practical reasons for the integration of management accounting and financial accounting

The practical conditions serve as the direct driving force behind the integration of management accounting and financial accounting, providing direction and a basis for developing appropriate countermeasures.

First, with industrial upgrading and intensified market competition, enterprises increasingly require financial accounting to deliver comprehensive and accurate internal management information, as well as external market data and industry financial reports. Such integration enables enterprises to optimize their development strategies and enhance market competitiveness, allowing them to maintain a stable position in a highly competitive environment ^[4].

Second, construction enterprises, in particular, demand high levels of data precision. The combined efforts of management accounting and financial accounting are necessary to provide accurate engineering data, enabling enterprises to effectively manage costs and perform risk assessments. This integration also supports better personnel management, equipment management, and fund management. By improving financial systems, enterprises can strengthen their risk mitigation capabilities, enhance cost control, and achieve efficient

development.

Third, the era of intelligent technology necessitates comprehensive and multi-level optimization and upgrading within enterprises. The integration of management accounting and financial accounting streamlines financial management processes, reducing issues such as data duplication and ambiguity, and significantly increasing the efficiency of human resource utilization. Additionally, it provides robust support for the adoption and effective utilization of intelligent equipment ^[5].

3. Exploring integration strategies for enterprise management accounting and financial accounting in building operations enterprises

3.1. Building a unified and integrated organizational structure

Construction enterprises can initiate integration efforts by re-evaluating their organizational structure, aligning the goals of management accounting and financial accounting, and establishing effective integration mechanisms with unified data standards. This approach ensures information coordination and sharing, facilitating effective integration. Such alignment enhances the overall financial management capabilities of construction enterprises and strengthens their competitive advantage in the market ^[6].

First, it is essential to establish clear and consistent integration objectives. While financial accounting and management accounting are both integral to an enterprise's financial operations, their respective roles and areas of focus differ significantly. A hasty integration process may lead to ambiguities in work responsibilities and positioning, potentially hindering the company's development. The current roles and integration focus of management accounting and financial accounting must be carefully analyzed ^[7].

Before integration, financial accounting primarily focuses on monitoring the enterprise's financial status, whereas management accounting is responsible for decision-making, managerial support, and other related functions. During the integration process, the company's development goals and departmental composition should guide the reallocation of responsibilities. For example, internal tasks can be assigned to management accounting to support corporate decision-making, while external roles, such as financial supervision, can remain the responsibility of financial accounting. This clear division ensures alignment with the overall enterprise objectives, promoting seamless integration without compromising the efficiency and quality of financial management.

Second, establishing a dedicated team is crucial to ensuring effective integration. Enterprises can appoint a specialized team to oversee the planning and implementation of integration efforts, thereby enhancing efficiency, minimizing integration timelines, reducing potential losses, and maintaining orderly operations. Professional teams bring cross-disciplinary knowledge and extensive experience in integration, enabling them to design mechanisms and processes aligned with the company's strategic objectives. These teams can address challenges encountered during the integration of management and financial accounting, mitigate financial risks, and help the company avoid unnecessary expenditures ^[8].

3.2. Strengthening staff training activities

Employees form the core of an enterprise and play a vital role in its development. In the process of integrating management accounting and financial accounting within construction enterprises, employees also hold a significant position. Enterprises can focus on enhancing employee training to improve their comprehensive skills and adaptability, ensuring smooth operations during the integration process ^[9].

On the one hand, diversified training programs should be provided based on the actual needs of employees. Construction enterprises encompass a variety of roles, with differing levels of interaction between employees and management or financial accounting. Enterprises should first conduct a thorough analysis and assessment of the overall organizational environment to understand employees' specific needs. Subsequently, they can align these needs with the changes arising from the integration of management and financial accounting and design targeted training content that meets both individual and organizational requirements.

Once training content is developed, a well-structured system and mechanism should be established to ensure the orderly execution of training programs. For instance, construction enterprises can create systematic training plans tailored to the professional development needs of financial personnel. These plans might include training on fundamental principles, operation of new systems, and advanced data analysis techniques. Enterprises can also enhance training quality by enabling financial and management accounting staff to learn from successful organizations or inviting industry experts to provide targeted guidance on integration efforts. Moreover, online training modules can be introduced, allowing employees across various roles to study at their own pace and convenience based on their schedules and learning preferences ^[10].

On the other hand, a corresponding evaluation mechanism should be established. To ensure the effectiveness of training programs, enterprises should develop relevant evaluation and rating systems linked to employees' key interests. This approach can motivate employees to value the training programs and actively participate in the integration process. For example, construction enterprises can categorize employees into different job types, such as technical and managerial roles, and design assessment methods that align with the responsibilities and nature of each position. Systematic training and evaluation processes can ensure that all employees receive adequate training and guidance. Under this comprehensive system, their overall capabilities and responsiveness can be significantly improved, contributing to the seamless integration of management accounting and financial accounting ^[11].

3.3. Building a sound information-sharing mechanism

Information sharing is a natural and essential component of the integration between financial accounting and management accounting within construction enterprises. It plays a vital role in achieving in-depth fusion and is a key element in the mechanism-building process during integration. Therefore, enterprises should focus on establishing efficient, transparent, and interactive information-sharing mechanisms and platforms to lay a solid foundation for seamless integration.

First, a robust communication mechanism should be established ^[12]. Financial accounting and management accounting are interconnected functions rather than completely independent roles. Moreover, they share links with various organizational levels, including the financial department, management, and technical teams. Continuous and timely information exchange among these stakeholders is crucial to ensure the relevance and availability of information while enhancing overall work efficiency.

To implement this, management should leverage the advantages of top-level design by formulating comprehensive communication systems. Regular inter-departmental meetings should be organized to exchange and share relevant data. For instance, management should convene regular meetings involving construction management teams, financial departments, and other related divisions to discuss key progress and issues concerning the integration of financial and management accounting. These discussions will help ensure that those responsible for the organization's overall growth maintain a clear and comprehensive understanding of its

financial and operational status. Such meetings will also allow departments to adjust their objectives and tasks based on the company's evolving needs and integration progress ^[13].

Secondly, emphasis should be placed on developing a robust communication platform. Enterprises must prioritize the construction of online communication systems by allocating sufficient financial resources and engaging professional technical personnel to design secure internal information-sharing platforms. These platforms can not only protect sensitive enterprise information but also accelerate the integration process.

The advantage of using online platforms for information sharing lies in their ability to facilitate real-time data exchange, reducing delays caused by offline meetings. Such platforms are particularly beneficial during emergencies, as they provide departments with the ability to respond swiftly, thereby ensuring the company's normal operations ^[14].

4. Conclusion

In summary, as the construction industry navigates numerous challenges and opportunities, the integration of financial accounting and management accounting represents a crucial strategy for enterprises to adapt to market dynamics. Enterprise leaders should fully recognize the significance of this integration in fostering sustainable business development. By optimizing and unifying organizational structures, enhancing staff training programs, and establishing comprehensive information-sharing mechanisms, companies can achieve synergy between financial and management accounting. This approach maximizes the advantages of both disciplines, strengthens the company's core competitiveness in the increasingly competitive construction market, and ensures sustainable growth for the enterprise ^[15].

Disclosure statement

The author declares no conflict of interest.

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