

# Managerial Accounting and Organizational Performance: Evidence From Romanian Healthcare Companies

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**Ionica Holban***European Academy of the Regions, Belgium***Sorinel Căpușneanu***Dimitrie Cantemir Christian University of Bucharest, Romania***Dan Ioan Topor***1 Decembrie 1918 University, Romania***Vasile Burja***1 Decembrie 1918 University, Romania***Loredana Elena Comănescu***Valahia University, Romania*

## INTRODUCTION

In a performance oriented time, organizational efficiency holds a primordial part, no matter what the sector of activity might be (Guo et al., 2017). One of the most important challenges is achieving it through developing and implementing performing management on a permanent basis (Wickramasinghe & Alawattage, 2007). Organizational efficiency has become an activity assessment management factor, bearing an important role in decision making in order to fully use the available resources (Gurd & Thorne, 2003).

A decision-making process taking place on various organizational, operational and strategic levels needs to rely on data regarding the costs borne as well as other reliable analyses from within the organization, supplied by a managerial accounting process which must provide answers to the information needs signaled by the management of that company (Chenhall & Langfield-Smith, 2003).

The role of managerial accounting consists in detailing, analyzing and interpreting the information provided by the general accounting, presenting it in a form that is accessible to the company management (Rowe, Birnberg & Shields, 2008). Financial information is confidential, addressed to the internal environment of the company, and presented as no standardized periodical reports adapted to the internal management needs (Abdel-Kader & Luther, 2008).

As a support for the managerial decision, managerial accounting information accompany the managerial process along its entire action flow: planning, the launching of new products or the creation of new activities, selecting clients or orders, substituting production factors, controlling the accounting management during all its stages (Baines & Langfield-Smith, 2003).

Romanian healthcare companies have stated that organizations have a problem with anticipating and adapting to what happens in their environments (Bostan, 2016). This inability to recognize changes in the

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business environment can be a factor that determines the lack of performance in the field of competitiveness. To succeed, organizations need to adopt a systematic approach to change. In this respect, they will have to simultaneously manage all the challenges of change. These changes at the organizational level have increased the importance of managing change and especially managing the experience of change in personnel (Jung et al., 2016; Rojon et al., 2015; Schulz, 2004). This is due to the fact that major changes have an impact on all the members of the organization because these changes can create new dimensions of uncertainty. Only through a good knowledge of the entity, transparency of the management processes in order to increase healthcare service quality, diversification and the creation of internal mechanisms to respond to disruptive forces, can one ensure that companies remain in the market.

The concepts surrounding the organizational performance in health care organizations incorporates also the knowledge, skills and motivation of work force; factors that directly influence the service quality (Allen & Seaman, 2007).

It should be mentioned that traditionally, there exist differences between output and outcome. In our opinion, for the health care organizations the outputs (results) may be used as synonym for outcome (performance), because qualitative health care services may be delivered only under performance circumstances, which take into consideration the organization's efficiency and the level of patient satisfaction.

In the investigative approach to new change management challenges in the contemporary economy, we used a complex strategy of research, combining quantitative and qualitative methods of investigation. Therefore, specific methods were used in the preliminary stage of design and preparation of the research analysis, now presented as tables that allow optimal concentration of information. Any entity goes through processes of change and adaptation to changes in the business environment, which should be perceived, analyzed and evaluated by the management performance. All the scientific process involved taking into account all the parameters/variables considered useful in identifying the answer to the central research question. The entire research process involved completing specific rules, collection, analysis, and the selection of information that can be proven objectivity with a lot of rigor over a predetermined length of time. The results obtained are valid and reproducible because they are based on a methodology of well-chosen research that lends credibility to the conclusions we have reached at the end of the research period.

More importantly, the results of the present study suggest that a managerial accounting is important for the survival and success of any organization in today's business environment, which is extremely competitive and in a continuous evolution (Kemper et al., 2017). In the light of the apparent logical hole, the theories and approaches of managerial accounting that are available for theoreticians and practitioners often argue between themselves, and many of them lack the empirical evidence supported by incontestable hypotheses regarding the nature of contemporary organizational management of change (Hassan, 2005).

The rest of the article is organized as follows: first, we discuss the materials and methods development. Then, in Section 2, we present our results and discuss our findings. Finally, in Section 3, we provide the conclusion and suggest some future research directions.

## **BACKGROUND**

The management of organizational change is a continuous process of experimentation and adaptation that has as its main target the correlation of capabilities of an organization to adapt to a volatile, changing environment (Gong et al., 2009; Popa, 2012). By the same token, Verbeeten (2010) saw organizational change as a transforming adaptive and complex change performed with the help of a system change

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