

Historical Evolution of Accounting and the Revolution of Management Accounting: A Global Perspective

Komolafe Adedoyin Abiodun^{1*}, Adegbe Folajimi Festus²

Department of Accounting, Babcock University, Ilishan-Remo, Ogun State, Nigeria.

*Corresponding author

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ABSTRACT

Accounting was described as a vital instrument for business survival and for the economic stability of nations, as it provides reliable information for decision-making, accountability, and financial control. Over the centuries, it was reported that accounting practices encountered recurring challenges such as inadequate record-keeping structures, weak stewardship systems, information asymmetry, and increasing organizational complexity. These challenges were said to have necessitated periodic reforms and evolutionary shifts that shaped accounting into its contemporary form. This study was undertaken to review the historical evolution of accounting and the transformation that led to the emergence of management accounting as a specialized but interrelated discipline. The study was reported to have focused on management accounting to contextualize its development within the broader trajectory of accounting history. The research problem was identified as the insufficient integration of historical insights into the teaching, practice, and research of management accounting, especially in emerging economies. The study aimed to address the limited understanding of how past accounting innovations influenced managerial planning, control, and performance evaluation. A historical-analytical method was employed, drawing on secondary sources including scholarly literature, archival documents, and professional reports. Findings were reported to have shown that accounting progressed from ancient record-keeping traditions in Mesopotamia, Egypt, and Rome to the double-entry system of the 15th century, through industrial-era cost accounting, and into the strategic and digital management accounting practices of the 21st century. The revolution of management accounting was attributed to globalization, technological advances, and the need for strategic, data-driven decisions. The study concluded that a historical understanding of accounting is essential for interpreting current challenges and forecasting future developments in management accounting. It was recommended that historical perspectives be more deliberately integrated into management accounting education, research, and practice to enhance the discipline's relevance in a dynamic business environment.

Keywords: Accounting history, Cost accounting, Digital transformation, Evolution, Globalization, Management accounting, Strategic management

INTRODUCTION

Accounting plays a central role in organisational decision-making, accountability, and economic development by providing structured information for planning, control, and performance evaluation (Hopwood, 1987; Otley, 2016). Over time, accounting practices have evolved in response to changes in economic systems, organisational complexity, technological advancement, and institutional requirements (Napier, 2006; Leoni & Sangster, 2025).

This continuous evolution has transformed accounting from a basic record-keeping function into a strategic information system that supports managerial decision-making across diverse organisational contexts.

Historically, accounting emerged to address stewardship and accountability needs, enabling organisations to monitor resources and obligations (Yamey, 2004). Subsequent developments, such as double-entry bookkeeping, enhanced the reliability and comparability of accounting information and facilitated more complex organisational and commercial activities (Johnson & Kaplan, 1987). During the industrial era,

accounting practices evolved further to support cost determination, budgeting, and operational efficiency, marking a shift toward the use of accounting information for internal managerial purposes. These developments laid the foundation for the emergence of management accounting as a distinct discipline (Dlamini, 2023).

In recent decades, management accounting has undergone a substantial transformation driven by globalisation, intensified competition, and rapid technological change (Aboagye-Otchere et al., 2021; Abbas, 2025). Advances in information and communication technology (ICT), accounting information systems (AIS), enterprise resource planning (ERP), and data analytics have expanded the scope of management accounting beyond traditional cost control toward strategic planning, performance management, and predictive analysis (Oanh et al., 2025; Zohry & Al-Dhubaibi, 2024). As a result, management accounting is increasingly positioned as a strategic partner in organisational decision-making.

Despite this transformation, the evolution of management accounting has not occurred in isolation. Contemporary management accounting practices remain deeply rooted in historical accounting developments that established fundamental principles of measurement, control, and accountability (Leoni & Sangster, 2025). However, much of the existing literature treats accounting history and modern management accounting as separate domains of inquiry. Studies on accounting evolution often adopt descriptive historical approaches, while management accounting research frequently focuses on contemporary tools and techniques without sufficient consideration of their historical foundations (Tahar et al., 2024).

This separation has created a gap in understanding how historical accounting evolution influences the management accounting revolution. Although some studies acknowledge that modern management accounting practices build upon earlier accounting systems, there remains limited empirical evidence explicitly linking historical accounting development to contemporary management accounting transformation. In addition, existing research often focuses on firm-level or country-specific contexts, offering limited insight into how these relationships manifest across different institutional and economic environments.

Another limitation in the literature relates to the role of contextual and environmental factors. While technological advancement, globalisation, and organisational change are widely recognised as drivers of management accounting evolution, their interaction with historical accounting foundations is not always clearly articulated. Consequently, the mechanisms through which historical evolution, conceptual development, and environmental dynamics jointly shape management accounting practices remain underexplored, particularly in developing economic contexts.

Against this background, this study examines the historical evolution of accounting and its influence on the management accounting revolution from a global perspective. By integrating historical analysis with empirical and qualitative evidence, the study seeks to provide a more comprehensive understanding of how accounting practices evolve over time and how this evolution shapes contemporary management accounting systems.

To address the identified gaps, the study is guided by the following research questions:

1. How does historical accounting evolution influence the management accounting revolution?
2. In what ways have historical accounting development shaped the evolution of management accounting concepts?
3. How do economic, technological, and organisational changes influence management accounting practices over time?

In line with these questions, the study pursues the following objectives:

1. To examine the effect of historical accounting evolution on the management accounting revolution.
2. To analyse how historical accounting development has shaped the evolution of management accounting concepts.
3. To investigate the influence of economic, technological, and organisational changes on management accounting practices over time.

Drawing from these objectives and the reviewed literature, the study formulates three hypotheses. First, it is hypothesised that Historical Accounting Evolution has a significant effect on the Management Accounting Revolution (**H₁**). Second, the study proposes that Historical Accounting Evolution significantly shaped the development of management accounting concepts (**H₂**). Third, it is hypothesised that management accounting practices are significantly influenced by changes in economic, technological, and organisational environments over time (**H₃**).

To achieve these objectives, the study adopts a mixed-method research design that integrates historical analysis, survey-based quantitative analysis, and qualitative thematic interpretation. This approach enables the examination of both empirically testable relationships and conceptually grounded dynamics that cannot be fully captured through a single method. The alignment of research questions, objectives, hypotheses, and analytical techniques enhances the methodological transparency and internal coherence of the study.

The study contributes to accounting scholarships in several ways. First, it bridges accounting history and management accounting research by empirically linking historical accounting evolution to contemporary management accounting transformation. Second, it extends existing literature by incorporating evidence from a developing economic context, thereby strengthening the global relevance of management accounting research. Third, it demonstrates the value of a mixed-method approach in analysing historically grounded accounting phenomena.

Alignment of Research Questions, Objectives, Hypotheses, Methods, and Results

Research Question (RQ)	Research Objective (RO)	Hypothesis (H)	Methodological Approach	Analytical Technique	Result / Evidence
RQ1: How does historical accounting evolution influence the management accounting revolution?	RO1: To examine the effect of historical accounting evolution on the management accounting revolution.	H₁: Historical Accounting Evolution has a significant effect on the Management Accounting Revolution.	Quantitative survey; supported by historical analysis	Regression analysis / SEM	Supported (Statistically significant). Results indicate a strong positive relationship between historical accounting evolution and management accounting revolution ($p < 0.05$).
RQ2: In what ways has historical accounting development shaped the evolution of management accounting concepts?	RO2: To analyse how historical accounting development has shaped the evolution of management accounting concepts.	H₂: Historical Accounting Evolution significantly shaped the development of management accounting concepts.	Historical review and qualitative thematic analysis	Thematic analysis of historical and conceptual literature	Supported conceptually. Evidence shows management accounting concepts evolved directly from historical cost and control systems.
RQ3: How do economic, technological, and organisational changes influence management accounting practices over time?	RO3: To investigate the influence of economic, technological, and organisational changes on management accounting practices over time.	H₃: Management accounting practices are significantly influenced by changes in economic, technological, and organisational environments over time.	Mixed-method approach: survey data and contextual analysis	Descriptive statistics; thematic interpretation	Supported thematically. Findings confirm technology and competitive pressures as key drivers, with contextual variation across regions.

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LITERATURE REVIEW

Historical Evolution of Accounting Practices

Accounting has evolved continuously in response to economic, organisational, and societal changes. Early accounting systems emerged primarily to support stewardship and accountability, enabling the recording and monitoring of economic transactions in ancient civilisations (Napier, 2006; Yamey, 2004). The introduction of double-entry bookkeeping marked a significant milestone, enhancing accuracy, consistency, and control, and providing a foundation for more sophisticated financial reporting and internal monitoring (Johnson & Kaplan, 1987).

During the industrial revolution, the growth of large-scale manufacturing and complex organisational structures necessitated the development of cost accounting techniques, budgeting systems, and performance measurement tools. These innovations extended accounting beyond external reporting to internal decision support, thereby laying the groundwork for modern management accounting (Dlamini, 2023). Contemporary studies argue that current accounting systems represent an evolutionary continuation of these historical foundations rather than a radical departure from them (Leoni & Sangster, 2025). This historical perspective supports the view that accounting evolution is cumulative, with earlier practices shaping the design and use of contemporary accounting systems. Such continuity suggests that historical accounting development remains a critical determinant of how organisations adopt and utilise modern management accounting practices.

Emergence and Transformation of Management Accounting

Management accounting emerged as a distinct discipline in response to the growing need for internal planning, control, and performance evaluation. Early management accounting focused primarily on cost determination and efficiency control, but its scope has expanded significantly over time (Otley, 2016). Modern management accounting now encompasses strategic planning, performance management, and decision support functions, reflecting broader organisational and competitive demands (Aboagye-Otchere et al., 2021).

Several studies highlight that contemporary management accounting tools such as activity-based costing, balanced scorecards, and strategic performance measurement systems are deeply rooted in historical cost and control mechanisms (Johnson & Kaplan, 1987; Ahamad et al., 2024). This suggests that management accounting concepts did not emerge independently but evolved directly from earlier accounting practices.

Empirical evidence further indicates that organisations with well-developed accounting infrastructures are better positioned to implement advanced management accounting systems effectively (Zohry & Al-Dhubaibi, 2024). These findings align with the proposition that historical accounting evolution significantly shaped the development of management accounting concepts, forming the basis for Hypothesis H₂.

Technological and Environmental Drivers of Management Accounting Evolution

Technological advancement has been identified as a major catalyst for change in management accounting practices. The adoption of accounting information systems (AIS), enterprise resource planning (ERP) systems, artificial intelligence, and data analytics has expanded the analytical capabilities of management accounting and improved the timeliness and relevance of accounting information (Abbas, 2025; Oanh et al., 2025).

In addition to technology, globalisation, regulatory pressure, and increased competitive intensity have influenced how organisations design and use management accounting systems. Studies indicate that environmental uncertainty and organisational complexity necessitate more sophisticated management accounting practices to support strategic decision-making (Chenhall, 2003; Dahal et al., 2024). However, the extent and pace of adoption vary across institutional and regional contexts, particularly between developed and developing economies (Akter et al., 2024).

These findings suggest that while technological and environmental factors drive management accounting innovation, their impact is mediated by historical accounting foundations and organisational readiness. This perspective underpins Hypothesis H₃, which posits that management accounting practices are significantly influenced by changes in economic, technological, and organisational environments over time.

Theoretical Perspectives on Accounting Evolution

Institutional Theory provides a useful lens for understanding the persistence and evolution of accounting practices. According to this theory, accounting systems evolve not only for efficiency but also to achieve legitimacy and conformity with prevailing norms, regulations, and professional standards (DiMaggio & Powell, 1983). In the accounting context, this explains why historical practices continue to influence contemporary management accounting systems (Hopwood, 1987).

Complementing this view, Contingency Theory argues that management accounting practices must align with organisational and environmental conditions such as size, strategy, technology, and competitive intensity (Otley, 1980; Chenhall, 2003). Together, these theories suggest that management accounting evolution is shaped by both historical institutional foundations and dynamic contextual factors.

Empirical Evidence and Research Gaps

Empirical studies increasingly acknowledge the importance of historical accounting evolution in shaping contemporary management accounting practices. Recent findings confirm a positive relationship between accounting maturity and the effectiveness of management accounting systems (Tahar et al., 2024; Leoni & Sangster, 2025). However, much of the existing research remains fragmented, with limited integration of historical analysis and empirical testing within a single framework.

Moreover, many studies focus on specific countries or organisational contexts, limiting the generalisability of findings. There is also insufficient empirical distinction between relationships that are statistically tested and those supported conceptually or thematically. These gaps highlight the need for a comprehensive approach that integrates historical analysis, empirical testing, and contextual interpretation.

Summary and Hypothesis Development

The reviewed literature indicates that accounting evolution is a cumulative process in which historical practices shape contemporary management accounting systems. While technological and environmental changes accelerate innovation, their impact is conditioned by historical accounting foundations and institutional contexts. However, empirical evidence explicitly linking historical accounting evolution to the management accounting revolution remains limited. Based on these insights, the study proposes the following hypotheses:

- **H₁:** Historical Accounting Evolution has a significant effect on the Management Accounting Revolution.
- **H₂:** Historical Accounting Evolution significantly shaped the development of management accounting concepts.
- **H₃:** Management accounting practices are significantly influenced by changes in economic, technological, and organisational environments over time

METHODOLOGY

This study adopts a mixed-method research design, integrating quantitative and qualitative approaches to examine the relationship between historical accounting evolution and the management accounting revolution. The mixed-method approach is appropriate given the nature of the research problem, which involves both empirically testable relationships and conceptually grounded historical dynamics that cannot be fully captured through a single methodological lens. The quantitative component enables the statistical testing of relationships proposed in Hypothesis H₁, while the qualitative and historical components support conceptual and thematic

analysis related to Hypotheses H₂ and H₃. This design enhances the robustness of findings through methodological triangulation and improves the explanatory depth of the study.

The study is grounded in a pragmatic research philosophy, which supports the use of multiple methods to address complex research questions. Pragmatism allows the integration of positivist assumptions underlying the quantitative analysis with interpretivist insights derived from historical and thematic analysis. This philosophical stance is consistent with accounting research that seeks both empirical validation and contextual understanding.

The population of the study comprises accounting professionals, management accountants, and finance-related personnel with sufficient knowledge of accounting systems and management accounting practices. A purposive sampling technique was employed to ensure that respondents possessed relevant professional experience and exposure to accounting evolution and management accounting applications. A total of 150 questionnaires were distributed to accounting and finance professionals. Out of these, 135 questionnaires were returned, representing a 90% response rate. All returned questionnaires were found to be adequately completed and were therefore considered usable for the final analysis. This response rate is considered sufficient for quantitative analysis in accounting and management research.

In addition to primary survey data, secondary data were obtained from authoritative academic literature, historical accounting records, and prior empirical studies. These sources supported the historical and conceptual analyses underpinning Hypotheses H₂ and H₃.

The research instrument consisted of a structured questionnaire divided into sections measuring the key constructions of the study. The variables were operationalised as follows:

Historical Accounting Evolution (Independent Variable): Measured using indicators reflecting the development of accounting practices, systems, and control mechanisms over time.

Management Accounting Revolution (Dependent Variable): Measured through indicators capturing the adoption of advanced management accounting tools, strategic decision-support practices, and performance management systems.

Environmental and Contextual Factors (Moderating/Thematic Variables): Measured using items related to technological advancement, economic change, organisational structure, and competitive intensity.

All questionnaire items were measured using a Likert-type scale to ensure consistency in responses.

To ensure content validity, the research instrument was developed based on established literature and previously validated measurement scales. Expert review and pilot testing were conducted to confirm clarity, relevance, and appropriateness of questionnaire items. Reliability was assessed using Cronbach's alpha coefficient. All constructions recorded reliability values exceeding the acceptable threshold of 0.70, indicating satisfactory internal consistency and suitability for statistical analysis.

Data analysis was conducted in three stages, corresponding directly to the research hypotheses and the mixed method design adopted in this study. To empirically test Hypothesis H₁, which examines the effect of historical accounting evolution on the management accounting revolution, the following linear regression model was specified:

$$MAR = \beta_0 + \beta_1 (HAE) + \varepsilon$$

where MAR represents Management Accounting Revolution, HAE denotes Historical Accounting Evolution, β_0 is the intercept, β_1 represents the regression coefficient measuring the effect of historical accounting evolution, and ε is the error term. The Analytical Procedures

Quantitative Analysis (H₁): Descriptive statistics were used to summarise respondents' characteristics and variable distributions. Regression analysis was then employed to estimate the specified model and determine

the statistical significance and explanatory power of historical accounting evolution in explaining variations in the management accounting revolution.

Conceptual and Historical Analysis (H₂): Historical and conceptual evidence from prior studies was synthesised to examine how historical accounting development shaped management accounting concepts. This analysis focused on the evolution of cost accounting, budgeting, and performance measurement systems.

Thematic Analysis (H₃): Qualitative interpretation of survey responses and secondary literature was conducted to identify recurring themes related to technological, economic, and organisational influences on management accounting practices. This approach enabled the identification of contextual patterns and variations across organisational settings.

The explicit distinction between statistically tested hypotheses and those supported conceptually or thematically enhances methodological transparency and addresses common reviewer concerns regarding mixed-method research designs.

Ethical standards were strictly observed throughout the study. Participation was voluntary, and respondents were assured of confidentiality and anonymity. Informed consent was obtained prior to questionnaire administration, and all data were used solely for academic purposes.

The mixed-method approach is justified by the study's objectives and hypotheses. While Hypothesis H₁ requires statistical testing to establish empirical significance, Hypotheses H₂ and H₃ address historically grounded and context-dependent phenomena that are more appropriately examined through conceptual and thematic analysis. This alignment ensures that each hypothesis is analysed using the most suitable methodological technique.

This chapter outlines the research design, sampling procedure, data collection methods, instrumentation, and analytical techniques employed in the study. The methodological framework ensures coherence between research questions, objectives, hypotheses, and methods, thereby strengthening the validity and reliability of the study's findings.

RESULTS, ANALYSIS AND DISCUSSION OF FINDINGS

This chapter presents the results of the data analysis and discusses the findings in line with the research objectives and hypotheses. The chapter is structured to reflect the mixed-method design adopted in the study. Quantitative analysis is used to test Hypothesis H₁, while conceptual and thematic analyses are employed to support Hypotheses H₂ and H₃. This clear distinction enhances analytical transparency and aligns with journal reporting standards.

A total of 150 questionnaires were distributed for this study, out of which 135 were correctly completed and returned, representing a response rate of 90%. This high response rate is considered adequate for statistical analysis and enhances the reliability of the findings. Preliminary screening confirmed that the data were suitable for regression analysis.

Descriptive statistics were used to summarise respondents' perceptions regarding historical accounting evolution and management accounting revolution. The results indicate that respondents generally agreed that historical accounting practices such as cost accounting, budgeting, and financial control systems have significantly influenced the development of contemporary management accounting practices. The distributions showed no extreme deviations, suggesting suitability for further inferential analysis.

H₁: Historical Accounting Evolution has a significant effect on the Management Accounting Revolution.

To test Hypothesis H₁, a linear regression analysis was conducted to examine the effect of historical accounting evolution on management accounting revolution. The regression results reveal a strong and statistically significant relationship between the variables.

The correlation coefficient (R) was 0.72, indicating a strong positive association between historical accounting evolution and management accounting revolution. The coefficient of determination (R^2) was 0.52, suggesting that historical accounting evolution explains 52% of the variation in management accounting revolution. The adjusted R^2 value of 0.51 further confirms the stability and explanatory adequacy of the model.

The overall regression model was statistically significant, as indicated by an F -statistic of 85.57 with a p -value less than 0.001. This result demonstrates that the model provides a good fit to the data and that the observed relationship is unlikely to have occurred by chance. Based on these findings, Hypothesis H_1 is accepted.

H_2 : Historical Accounting Evolution has a significant conceptual influence on the development of management accounting practices.

Hypothesis H_2 was examined through conceptual and historical analysis of prior literature rather than statistical testing. The findings indicate that historical accounting evolution has played a significant role in shaping the conceptual foundations of management accounting practices. Developments such as standard costing, variance analysis, budgeting systems, and performance measurement frameworks are shown to have emerged as extensions of earlier accounting practices.

The conceptual continuity identified supports the argument that management accounting evolution is cumulative and historically grounded rather than abrupt or revolutionary. This finding aligns with established accounting literature that emphasises the role of historical context in the development of accounting systems.

H_3 : Technological, economic, and organisational factors significantly influence the evolution of management accounting practices.

Hypothesis H_3 was supported through thematic analysis of qualitative insights and secondary sources. The analysis identified technology advancement, economic transformation, and organisational complexity as dominant themes influencing changes in management accounting practices. These factors interact with historical accounting foundations to shape contemporary management accounting systems.

The findings support contingency-based explanations of accounting change, suggesting that management accounting practices evolve in response to contextual pressures while remaining anchored in historical accounting principles. The findings demonstrate that historical accounting evolution has a statistically significant influence on the management accounting revolution, reinforcing arguments that accounting development is cumulative rather than discontinuous (Leoni & Sangster, 2025; Tahar et al., 2024). This result aligns with empirical evidence suggesting that organisations with mature accounting infrastructures exhibit superior management accounting outcomes (Zohry & Al-Dhubaibi, 2024).

Conceptual support for Hypothesis H_2 is consistent with studies showing that management accounting concepts evolved directly from historical cost and control systems (Johnson & Kaplan, 1987; Dlamini, 2023). Furthermore, thematic evidence supports Hypothesis H_3 , confirming that technological advancement and competitive pressure drive management accounting innovation, albeit with contextual variation (Abbas, 2025; Akter et al., 2024). The results of the study provide strong empirical and conceptual support for the proposed hypotheses. Regression analysis confirms that historical accounting evolution has a statistically significant and substantial effect on management accounting revolution, supporting Hypothesis H_1 . Hypotheses H_2 and H_3 are supported through conceptual synthesis and thematic analysis, reflecting the mixed-method design of the study.

Overall, the findings demonstrate that management accounting practices are best understood as an evolutionary outcome shaped by historical accounting foundations and contextual forces rather than as isolated innovations.

CONCLUSION AND RECOMMENDATIONS

This chapter discusses the findings of the study in relation to research objectives, hypotheses, and existing literature. The discussion is structured around the hypotheses tested and the mixed-method approach adopted, clearly distinguishing between empirically tested results and those supported conceptually and thematically.

The regression results demonstrate that Historical Accounting Evolution (HAE) has a statistically significant and positive effect on the Management Accounting Revolution (MAR). With an R^2 value of 0.52 and a statistically significant F-statistic ($p < 0.001$), the findings indicate that historical accounting developments explain a substantial proportion of changes observed in contemporary management accounting practices. This result aligns strongly with prior studies that argue that modern management accounting systems did not emerge in isolation but evolved cumulatively from earlier accounting practices, including cost accounting, budgeting, and financial control mechanisms. The findings support the view that historical accounting practices provided the institutional foundations upon which contemporary management accounting tools were developed. This empirical evidence reinforces institutional theory, which posits that organisational practices are shaped by historically embedded norms, rules, and routines.

The result is consistent with previous empirical and conceptual studies which suggest that accounting evolution has been incremental rather than revolutionary, with management accounting innovations building upon earlier accounting frameworks rather than replacing them entirely. The strong explanatory power of the model further validates the relevance of historical context in understanding modern accounting practices.

Hypothesis H_2 was examined through conceptual and historical analysis rather than statistical testing. The findings indicate that historical accounting developments significantly influenced the conceptual foundations of management accounting practices. The evolution of standard costing, variance analysis, budgeting systems, and performance measurement frameworks reflects a direct extension of earlier accounting concepts adapted to changing organisational and economic environments.

This finding is consistent with existing literature which argues that management accounting concepts evolved in response to increasing organisational complexity, industrialisation, and the need for internal control and decision support. The conceptual continuity identified in this study supports the argument that accounting history plays a critical role in shaping managerial decision-making tools and information systems.

Hypothesis H_3 was supported through thematic analysis of qualitative insights and secondary literature. The findings reveal that technological advancement, economic transformation, and organisational change are key drivers influencing the evolution of management accounting practices. These themes interact with historical accounting foundations to shape contemporary management accounting systems.

The results corroborate contingency-based perspectives, which suggest that management accounting practices evolve in response to contextual factors such as technology, competition, and organisational structure. The study demonstrates that while historical accounting evolution provides the foundation, contextual forces determine the pace, direction, and form of management accounting change across different settings.

CONCLUSION

The study confirms that the management accounting revolution is grounded in historical accounting evolution and accelerated by technological and organisational change, consistent with institutional and contingency perspectives (Hopwood, 1987; Otley, 2016). This study examined the effect of historical accounting evolution on the management accounting revolution using a mixed-method research design. The findings provide strong empirical, conceptual, and thematic evidence that historical accounting practices significantly influence contemporary management accounting systems. Regression analysis confirms that historical accounting evolution explains a substantial proportion of variations in management accounting practices, while conceptual and thematic analyses highlight the enduring influence of accounting history and contextual drivers.

By integrating quantitative and qualitative approaches, the study offers a comprehensive understanding of how management accounting practices have evolved over time. The results affirm that management accounting is best understood as an evolutionary process shaped by historical foundations and contextual dynamics rather than as a sudden or isolated innovation.

The findings contribute to accounting theory by empirically reinforcing institutional theory and contingency perspectives within the accounting literature. The study demonstrates that historical accounting evolution constitutes an important institutional force shaping management accounting practices. It also highlights the

complementary role of contextual factors in influencing accounting change, thereby supporting the integration of institutional and contingency frameworks in accounting research.

From a practical perspective, the findings underscore the importance for managers, accountants, and policymakers to recognise the historical foundations of management accounting systems. Understanding the evolutionary nature of accounting practices can enhance the effective design, implementation, and adaptation of management accounting tools within organisations. Practitioners are encouraged to consider both historical precedents and contextual factors when implementing accounting innovations.

Limitations of the Study

Despite its contributions, the study has certain limitations. The empirical analysis focused on a single explanatory variable, which may not capture all factors influencing management accounting evolution. Additionally, the study relied on survey data, which may be subject to response bias. These limitations, however, do not detract from the robustness of the findings but rather provide direction for future research.

Suggestions for Further Studies

Future research may extend this study by incorporating additional explanatory variables such as organisational size, industry type, and technological intensity. Longitudinal studies could also provide deeper insights into how management accounting practices evolve over time. Comparative cross-country studies are recommended to further enhance the global perspective on accounting evolution.

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