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SYSTEM OF INDICATORS IN STRATEGIC MANAGEMENT ACCOUNTING

Pardaeva Shakhnoza Abdinabievna
Associate Professor, DSc
Tashkent State University of Economics

ABSTRACT

In this article, the system of indicators, group of main indicators, indicators of the macro-environment and micro-environment are highlighted in the evaluation of the activities of economic entities in the context of strategic management.

Keywords: Strategic management accounting, business entities, indicator system, financial result, financial indicators, indicator group.

INTRODUCTION

In order to ensure the ability to make modern and effective management decisions in prestigious brand companies of countries with developed market relations, special attention is paid to the development of strategic thinking and reasoning skills of accountants-analysts responsible for this area as the main factor. The reason is that the information system prepared by accountants-analysts allows for the adoption of prompt management decisions, takes into account, evaluates and analyzes the impact of external factors, and based on the results, develops ways to optimize the company's internal resources. Therefore, it is urgent to effectively organize and conduct strategic management accounting, which is a set of such factors and the main criterion for ensuring the competitiveness of companies, and to introduce methods suitable for our national economy from the experience used in international accounting practice.

LITERATURE ANALYSIS

Theoretical and practical aspects of the effective organization and management of strategic management accounting in business entities are described in detail in the scientific works of foreign scientists.

It is advisable to approach the content of strategic management accounting in business entities in a broad and narrow sense. As Russian economists I.N. Bogataya and L.O. Ivashinenko noted: "strategic management accounting in a broad sense should serve to form both financial and non-financial information that can provide the opportunity to strategically manage a specific object of management through planning, organization, analysis, control and regulation" [1,2].

"In a narrow sense, strategic management accounting is an integrated system of collecting, measuring, compiling, and preparing financial and non-financial information necessary for senior managers to analyze, control, and manage the processes of achieving the strategic mission of the enterprise, and for owners to assess the level of profitability of capital" [3].

In support of these considerations, it should be noted that the basis of this recognized financial and non-financial information is formed by such concepts as income, expenses, net income, gross profit, and net profit, as well as information related to them. The economic essence of

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such concepts as income, expenses, net income, gross profit, and net profit is explained in detail in economic literature and monographs.

Economists N.P. Lyubushin, V.B. Leshcheva, V.G. Dyakova recognized the following indicators of profit and income: 1) net income from sales of products; 2) gross profit from sales of products; 3) profit from main activities; 4) profit from financial activities; 5) general economic profit; 6) extraordinary profit; 7) profit before tax; 8) net profit [4].

A. Avlokulov, who conducted scientific research in this area, based on the results of his scientific research, showed the methodological and methodological differences between the categories of "output", "expenditure" and "expense" from the cost indicators expressing financial results [5].

As local economist A.Kh. Pardaev noted: "…the financial aspect of the proposed management decisions plays a decisive role in choosing one or another option. In addition, the importance of financial management is determined by its role as a subsystem of the management process of an economic entity, coordinating financial processes in economic activities" [6].

ANALYSIS AND RESULTS

The results of scientific research in this area show that there is no single approach not only in practice, but also among theoreticians, to determining the scope of indicators that characterize the activities of economic entities for the organization and maintenance of strategic management accounting.

For example, E.V. Isaeva justifies the following grouping of indicators used for the organization and maintenance of a strategic management accounting system:

- indicators that determine the financial prospects of the organization;
- indicators of consumption prospects;
- indicators of internal business processes prospects;
- indicators of education and training and growth prospects;
- indicators of service organization and development.

P. Atrill and E. McLaney suggest using the following system of indicators for the same purpose:

- level of competitors and their profitability indicators;
- level of income and profitability indicators of customers;
- indicators of changes in share value and profitability;
- non-financial indicators.

A. Apchurch, in the course of strategic management accounting, states that the management of an economic entity cannot be carried out by calculating the impact of quantitative indicators on its activity, and therefore the main attention should be paid to non-financial and qualitative indicators. He suggests grouping these indicators as follows[1]:

- return on capital and net profit indicators for segment activity;
- indicators representing the degree of consumer orientation of the business;
- indicators representing the level of internal technological processes and equipment, the level of investment, the level of employees;
- indicators representing the development of the company;

[1] Upchurch A. Management accounting: principle and practice: V. Sokolova. - M.: Finance and statistics, 2002. - 952 p.

- indicators of adaptation to market relations;
- indicators representing the state of attracting innovations.

Another group of scientists propose to systematize indicators of strategic management accounting in a much broader way, dividing them into separate groups, based on their essence and nature, as well as accounting features, as follows (Table 1)[2]:

Table 1

A group of key indicators of strategic management accounting[3]

External indicators		Internal indicators	
1. Market Outlook Indicators	- market capacity; - market share	1. Financial indicators	- profit (by segments, lines of activity and types of products); - profitability; - return on capital.
2. Consumer Outlook Indicators	- scope of consumers; - active consumers; - consumer demand.	2. Internal business process indicators	- the time of the main production process; - idle times; - returned products; - processed and repaired products; - after-sales costs and expenses.
3. Competitor Level Indicators	- the number of competitors; - market share of competitors; - share of active competitors.	3. Performance indicators with consumers	- number of new customers; - number and dynamics of regular customers; - level of satisfaction with quality; - number and dynamics of complaints.
4. Indicators of service and distribution channel prospects	- the number of distribution channels; - volume of sales by distribution channels; -level of service on channels	4. Staff level	- the time of execution of orders; - level of retraining and advanced training; - lack of personnel.

Summarizing the above scientific proposals, practical recommendations and opinions, we suggest using the following system of indicators, taking into account the characteristics of our national economy, in order to effectively organize and maintain strategic management accounting in the practice of economic entities (Table 2).

[2] Isaeva E.V. Management accounting: strategic aspect. /Economics, management and accounting at the enterprise. – M., Zh. Problems of modern economy, No. 1 (21), 2007., 122-125 pp.
[3] Isaeva E.V. Management accounting: strategic aspect. /Economics, management and accounting at the enterprise. – M., Zh. Problems of modern economy, No. 1 (21), 2007., 122-125 pp.

Table 2

Indicators used to evaluate the performance of business entities in strategic management accounting[4]

Indicator group	Classification	Indicator name
Macroenvironmental indicators	Quality indicators	Level of confidence in entrepreneurship; The level of attention and support of the state to the development of this sector; Regulation of competition in the network; Crisis situations in the industry and the degree of vulnerability to such processes; The level of innovation in the field and so on.
	Quantity indicators	Central bank refinancing rate level; The exchange rate of the national currency and its dynamics; Inflation rate and its forecast; The level of taxes and its forecast; The state of the labor market in the regions; The level of income of the population and its dynamics of change; State of the demographic process in the country and region, etc.
Microenvironment indicators	Quality indicators	Competitors' opportunity and level of competition in the market; The level of trust and respect between partners; The attitude of society and consumers to the activity of the economic entity; Consumers' attitude to product quality and price; The state of the entity and its product advertising and so on.
	Quantity indicators	Level and dynamics of credit interest rates; Number of suppliers of raw materials and materials, their solvency; Price of purchased materials and their dynamics; Production volume; Level of introduction of new technologies; Amount of costs, expenses and expenses, cost price of manufactured products (works, services); Selling price of manufactured products (works, services), etc.

When taking into account the above-mentioned external environmental indicators (factors) and assessing their impact, we consider it advisable to widely use the PEST analysis (Policy, Economy, Society, Technology), SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) methods of strategic analysis, as well as the BCG (Boston Consulting Group) matrix, the PINS (Profit Impact of Market Strategy) model, the Ansoffa matrix (product-market matrix), the ADL model (Arthur D. Little model), and the Marakon Associates profitability matrix.

The results of the analysis carried out using these methods in a comprehensive manner make it possible to calculate the direct and indirect impact of all external factors on the activities of an economic entity and, accordingly, create the basis for choosing an effective strategy for the development of the entity's activities. The task of strategic management accounting is to

[4] Developed by the author.

collect and analyze the necessary information during the operation of these methods and models. It should be noted separately that, despite the widespread and constantly improving use of these methods and models in countries with developed market relations, even our economists, let alone economic entities operating in various sectors of the economy of our country, are unable to adequately assess the effectiveness of such methods.

We believe that strategic management accounting should determine the future development policy of the business entity and, accordingly, focus on taking into account the main elements of its strategy and tactics. From this perspective, most of the indicators proposed above determine the factors that must be taken into account in the future development of the business entity. In particular, strategic management accounting should collect and analyze the following indicators and data in order to make decisions on improving the quality of products manufactured by the business entity:

-the amount of defective products, the reasons for which the product became (or was manufactured) unusable, the culprit of the unusable state, the terms for its elimination;

-product quality and the degree to which it meets consumer requirements;

-the possibilities and reserves of the business entity for further improving product quality;

-financial support for measures to improve product quality, etc.

Also, in order to identify the possibilities and directions for increasing product production volumes, the following information should be collected and analyzed within the framework of strategic management accounting:

-market capacity of the product sales market, market share, level of competitors, opportunities to increase sales volumes;

- the state of use of the existing material and technical base and technological equipment, labor productivity, level of financial, labor and material resources, opportunities for purchasing new and modern equipment, level of qualifications and knowledge of specialists;

- generalization of the results of marketing research conducted in this direction.

In the same way, when discussing the issue of diversifying the production process (business), strategic management accounting should be considered on a broader scale, or rather, it should take into account not only the financial and economic or external market situation, but also political, international, and economic policy directions being pursued in the country, analyze, model, develop several options by forming matrices, and propose the most optimal of these options. In particular, a number of years of a stable economic and political situation significantly simplifies the tasks of strategic management accounting. Because in such situations, the amount of most macro-environmental indicators that affect the activities of an economic entity and that management accounting must necessarily take into account (inflation rate, tax policy, population income, levels of demand and supply for products, etc.) remains almost the same or, even if they change, their impact is not noticeable.

At the current level of development and progress, it can be observed that the economic and political situation in the world is changing rapidly, while economic development in our country is growing intensively. In such a situation, strategic management accounting should monitor, assess the level of negative impact of external factors that may affect the activities of an economic entity (the unstable situation in the world and, accordingly, in the external market for an economic entity, the emergence of new threats, the growth dynamics of existing threats, sanctions applied by various countries, crisis situations, a decrease in the income of the population, a deterioration in the business environment, etc.), and form important indicators and continuously provide management with them. Strategic management accounting should take into account all of these factors, that is, all of the factors that can affect the activities of an economic entity, assess trends in change, and most importantly, serve to develop a strategy for the future development of the economic entity, taking into account the current situation and the dynamics of change.

Another group of indicators that determine the effectiveness of the activities of business entities is their position in the domestic and foreign markets and the period of their operation in them. The results of the conducted analyzes and official statistical data show that currently, most business entities are experiencing a crisis in the first years of their operation and are forced to close their activities. We believe that the reason for this situation is that strategic management accounting was not organized in a timely manner in these business entities or was not taken into account at all. The reason is that the leaders of entities starting their new activities focus their attention on solving organizational issues, neglecting the most important process - taking into account the factors of the entity's future development and analyzing the dynamics of their changes. At the same time, it should be noted that strategic management accounting is of particular importance and is very important for such "young business entities". In this situation, strategic management accounting should provide the entrepreneur with objective historical data on the micro and macro environment (internal and external market factors, competitors' strengths and weaknesses, credit and investment opportunities, changes in debt and loan resources), and calculate forecasts.

It should be noted that the scale of its activities directly affects the organization of strategic management accounting in business entities. More precisely, the larger the business entity, the wider its scope of activities, the greater the number of employees, the greater the opportunity to organize and conduct effective strategic management accounting by attracting highly qualified specialists.

Similarly, the organizational structure of the business entity also affects the organization of strategic management accounting. Organizing and conducting strategic management accounting in business entities with a linear organizational structure creates significant difficulties. The most favorable conditions for organizing and conducting strategic management accounting exist in business entities with a linear-functional organizational structure.

The sectoral nature of the business entity also directly affects the organization of strategic management accounting. For example, in the construction sector, each project is unique, and the task of strategic management accounting is to serve the implementation of the tasks of a comprehensive analysis of previous projects implemented in the same direction and the widespread implementation of positive experiences accumulated in this regard, while for business entities in the service sector, the main focus is on costing, based on the requirements of the service consumer, which is provided through cost calculation.

CONCLUSIONS AND SUGGESTIONS

In the practice of developed countries, strategic management accounting of companies is formed and developing in the course of strategic management and accounting-analysis practice. However, as we noted above, in the practice of business entities operating in various sectors of the economy of our country, strategic management accounting, in particular, the organization and management of strategic management accounting of financial results, is still at the stage of formation. Therefore, first of all, the initial, that is, methodological issues associated with its organization and management at present should find their positive solution.

In order to effectively organize and manage strategic management accounting of financial results of business entities, it is advisable to organize them according to the following basic principles:

- the scientific and analytical principle of vision and production of the strategy of the business entity;
- the principles of taking into account internal and external factors affecting the development of business entities in the country;
- the compatibility of management strategy and tactics;
- the principle of the primacy of the human factor in business entities. During the activities of a business entity, strategy and tactics should be organized in such a way that workers and employees can independently implement them;
- the principle of the clarity of the business entity's strategy.

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