Book reviews

Monograph review of Tomasz Wnuk-Pel entitled *Management Accounting Innovations. The Case of ABC in Poland* (Łódź University Press, Łódź 2013, pp. 216)

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The monograph *Management Accounting Innovations. The Case of ABC in Poland* is dedicated to an important and pertinent issue, i.e. activity-based costing (ABC). As the author stresses, modern solutions of management accounting have been known among Polish academicians and popularized by some researchers, however, they were not put into practice as often as in highly-developed countries (which stemmed from our historical, political and economic conditioning). Nowadays, the gap between the use of modern tools of management accounting (including activity-based costing) by Polish companies and companies in highly-developed countries is narrowing, but it still remains significant.

The structure of the monograph is appropriate and logical. The work consists of an introduction, five chapters (the first two are theoretical whereas the remaining ones are empirical), conclusions and a bibliography.

The introduction explains the context and the subject of the study and signalizes the content of the monograph i.e. the research problems that the monograph deals with (the validity of individual problems for the purpose of the work is clarified). The author points out the main aim of the study and six specific aims, as well as theses and hypotheses along with research methods used to verify the hypotheses and prove the theses. It should be emphasized that the aims of the study have been positively realized, the theses proved and hypotheses verified.

In the first chapter the Author presents the historical background of ABC, and analyzes the evolution of the method and works of some researchers, which laid the ground for the concept. What seems really valuable is the fact that the study presents individual generations of ABC and accentuates different approaches within the generations. It helps to understand better the phenomenon of activity-based costing and its complex nature which seems especially significant in terms of designing an ABC system in an individual company. The study also has another advantage – it presents in a coherent way the patterns which enable understanding individual generations of ABC and explains specific differences between them. This chapter is a concise analy-

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sis of activity-based costing and management systems based on information from ABC (activity-based management – ABM).

The second chapter is dedicated to the presentation of Polish literature on the topic of ABC. This section studies the three most important accounting journals. The Author thoroughly describes the scope of research and what motivated the choice of the analyzed titles. Although the study itself did not focus on books or PhD theses on ABC, the Author concentrates on them (citing them in footnotes) which gives the full picture of Polish publications on the subject of ABC. Generally, this chapter helps to evaluate the achievements of Polish researchers specializing in activity-based costing. Thanks to presenting similar studies in different countries, a comparative assessment of this issue was possible.

In the next chapters the Author presents the results of his own empirical studies (first, however, the Author describes earlier research of this type carried out in the world). Chapter 3 is based on the results of questionnaire research which surveyed the scope of ABC used by Polish companies, and its functioning within those firms.

Chapter 4 contains case studies – it presents an analysis of ABC implementation carried out in different companies. On that basis, the Author points out factors which influence activity-based costing implementation and describes changes of management accounting systems ensuing from the implementation. What seems really interesting from the practical point of view is the fact that the Author indicates key problems related to the implementation and use of ABC.

In the last chapter, the study of users’ satisfaction with activity-based costing systems is presented. The quality and usefulness of information generated by the system is analyzed, and subsequently the Author demonstrates the impact of ABC on companies which have implemented the system. The chapter closes with a presentation of differences in the assessment of information from activity-based costing perceived by preparers and users of the system.

Each chapter of the monograph finishes with a brief resume and accentuates the main conclusions. It seems useful from the reader’s point of view – it helps to point out the key conclusions stemming from the research. Moreover, the final part of the book summarizes once again the main points and offers a variety of recommendations for companies which already use ABC or are considering its implementation. From a scientific point of view, the monograph seems invaluable because future directions of research related to the discussed subject are suggested.

The Author took proper care when analyzing the methodology of the conducted research and is cautious in drawing conclusions, which constitutes an important feature of a good researcher. By pointing out the limitations of the studies and analyses, the Author made an effort to minimize their consequences (inter alia by using different research methods and by contrasting his own study results with the results of other authors).

The reviewed study seems a valuable source which fills in the gap in Polish literature. It recapitulates and puts in order studies which have been carried out so far in
Poland and helps to draw conclusions in terms of ABC diffusion among Polish companies and ways of using ABC information. Thanks to broad literature studies and empirical research, in terms of theory and practice, the monograph provides a comprehensive picture of activity-based costing development and its condition in Poland. Simultaneously, due to references to foreign literature on the subject, the book helps to evaluate the condition of ABC in comparison to highly-developed economies.

The monograph seems an important source both for theoreticians and practitioners of management accounting. It enables understanding of the complexity of ABC implementation and operation as well as the challenges they pose. As a consequence, it facilitates and supports decision-making about the choice of this tool and the plan to implement it in an individual company, while at the same time it helps to limit costs and risks related to such implementation.

Value of the book is also stressed in two additional reviews by professors Karim Charaf and Toomas Haldma:

„It is appropriate to note that Wnuk-Pel has given a comprehensive summary of the ABC adoption in various countries and companies across the globe. (…) For anyone interested in and keen on the topic, the book offers an outstanding reference source of management accounting, its background, implementation, and gaps in Poland. (…) In addition, the author has used a simple and easy to understand language. The book is a first-rate reading since it has answered many questions about ABC concepts in developing and developed countries. It is also an excellent referencing material” (Karim Charaf, Full Professor of Management Control – ISCAE, Casablanca, Associate Professor at Burgundy School of Business, Dijon).

„The monograph manuscript demonstrates an interesting and coherent research into ABC and ABM issues in Poland. The book provides evidence that the author conducted original research, has made a significant contribution to the knowledge of the subject concerned. (…) I am convinced that the book will find a broad and grateful audience in Europe and outside especially among researchers, students and financial managers. It is especially recommended for those from countries which underwent or are still undergoing transition” (Toomas Haldma, Professor of Accounting, Faculty of Economics and Business Administration, University of Tartu).

I fully recommend the monograph entitled Management Accounting Innovations. The Case of ABC in Poland by Tomasz Wnuk-Pel, both for academic researchers as well as practitioners.

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