

A Study of Organizational, Planning, Control and Decision Making In Chennai Health Foundation

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Abstract: *This study explores the application of management accounting principles within the context of the Chennai Health Foundation, focusing on its significance in organizational planning, control, and decision-making processes. Management accounting plays a crucial role in providing relevant financial information and analysis to aid managerial decision-making and enhance organizational performance. Through a comprehensive analysis of the Chennai Health Foundation's financial data, budgeting processes, cost allocation methods, and performance measurement techniques, this study aims to identify the challenges and opportunities in applying management accounting techniques in a healthcare organization. The findings of this study provide valuable insights into the effective utilization of management accounting tools and techniques to optimize resource allocation, improve cost-efficiency, and support strategic decision-making in the healthcare sector.*

Keywords: Accounting, Planning, Control, Decision making.

I. INTRODUCTION

The title of the project study “A Study of Management Accounting and Its Application to Organizational, Planning, Control and Decision Making” “Management Accounting serves as the ‘language’ used by businesses to communicate both financial information and non-financial information to individuals and groups who have an interest in how the business is performing. From a management accounting point of view the primary purpose of management is to plan, control and make decisions that may be classified as marketing, production, and financial. The tactical decisions which must be preceded by strategic decisions provide the historical data from which the accountant prepares financial statements. The business firm or enterprise is an organizational structure in which the basic activities are departmentalized as line and staff. The organization is run or controlled by individuals collectively called management. Management accounting In a general sense, managerial accounting is an integral part of management that deals with identifying, presenting and interpreting information used for strategies, decision making, resource optimization, employee information, asset protection planning and control of activities.

The business world has changed totally. The role of management accountant is very different now than it was years ago. In the past, management accountants’ operation is strictly staff capacity usually separated from the managers for whom they provided reports and information.

Management Accounting is the base in accounting for managers with which managers get necessary information on executing their functions.

Decision making in any business enterprise is a primary function of the management.

Financial Accounting leads to the formation of the Management Accounting in that it provides various sets of accounts and statements which, though not enough for decision making, provide raw data to the managers for Management Accounting.

Management Accounting is an accounting system designed to provide adequate and appropriate information to the management in order to carry out its functions.

It is also known as “Management Accounting oriented accounting’ or “Accounting for management”.

OBJECTIVES OF THE STUDY

- Thought it is undisputed facts that, Management accountants, are responsible for financial information in most companies, have a certain role in the decision-making process. That role differs from company to another, depending on the skills and qualities a person has and earned over the years. The main objective of the study is to examine the application of Management Accounting on organizational planning, control and decision making. The specific objectives are:
- To know management accounting information are provided at the right time for planning and decision making
- The management accounting information system is computerized.
- To know the constraint affecting the application of management accounting information on organization decision making.
- Identify the effect of poor Management planning and decision making.
- Determine how effective the management accounting information system is in the company

THE MAIN FEATURE OF MANAGEMENT ACCOUNTING

- Management accounting is a technique of selective nature. It does not use the whole data provided by financial records. It selects and picks up only that information form different financial records (such as profit and loss account or balance sheet), which are relevant and useful to the management to arrive at important decisions on different aspects of the business.
- Management accounting is concerned with the future. It collects and analyses data to plan the future. The primary function of management is to decide about the future course of action. Management accounting, with the help of different techniques, formats the future course of action.
- Management Accounting makes available useful information which helps the management in planning and decision-making. It can only provide information but cannot proscribe. It is up to management to what extent it. It can make use of the information depending upon its efficiency and wisdom.
- Management accounting studies the relation between causes and effects. Financial accounting does and analyses the causes responsible for profits or losses. Management accounting attempts to study the cause-and-effect relationship by analyzing the different variables affecting the profits and profitability of the business.
- Management accounting is no bound by the rules of financial accounting. Financial accounting procedures are designed based on GAAPs.
- Management accounting selects only few information out of much information provided by the financial accounting systems. The reason is that all the financial accounting information are not necessary to management
- The financial accounting information is presented in the different basis and in different manner which helps the management for proper planning and take quality decisions. It is up to the intelligence of management executives to take valid decision out of available information.
- Management Accounting never follows the rules of financial accounting. But, it is concerned with the information which are highly useful to management for decision making and control purpose.

SCOPE OF STUDY

- Management Accounting emphasizes upon internal control in an organization. It extends the analysis of Financial Accounting and cost accounting by using different budgetary techniques. Its scope can be explained as follows:
- Provides accounting information management accounting is based on data provided by financial and cost accountant. It provides required information to managers at different levels.
- Assists in decision making it helps in decision making first by providing the relevant information to the management which can be used for decision making.

- Compilation of data for management planning management accounting presents and compiles the relevant historical data in such a manner as it helps in identifying the trends in past period and to assist in problem solving.
- Achieving the objectives management accounting helps in creating the plans and setting the objectives. It compares the actual performance with the standard performance, finds the deviations and takes corrective actions.

LIMITATIONS OF STUDY

The limitations of management accounting are described below.

- Dependent on accounting information management accounting depends upon high- quality financial accounting records and cost records for information.
- Dependent on other data management accounting is only a tool; it cannot replace management. Its usefulness depends on the extent to which the available data are used by management to make decisions.
- Expensive implementing a management accounting system entails costs, procedures, and infrastructure that, in general, are not affordable in small organizations.
- Limited use management accounting is a new technique, which means that its use is limited to big businesses. For small businesses, it is not cost-effective and is, therefore, rarely used.

NEED FOR THE STUDY

The various accounting is to maximize profit and minimize losses.

It helps to those inside the organization for planning, directing, motivating, and controlling and performance evaluation.

The operations can be planned with the help of accounting information, budgeting and forecasting.

Why Is Management Accounting Important for Decision-Making?

It helps to conduct relevant costs analysis the most important job of the management accountant is analyzing the relevant costs for determining the present expenses and giving suggestions for future actions. Before acting, managers need to consider all prospects and explore the best strategies to enhance the company's profit.

It facilitates in utilizing activity-based costing strategies customers are the top priority of marketers, and they must lay special focus on them. It is crucial for businesses; thus, companies need to build a buyer persona that includes the following features.

- Gender and age
- Income level
- Lifestyle

It helps to define the budget the budgeting processes of businesses are not random, and a decision must align with the company's marketing database and sales history. Here, management accounting plays a role in analyzing previous business activities and defining the investments for future activities.

The use of the management accounting may controlled or ever eliminate various types of wastages.

The management aims to control the cost of production and at the same time increase efficiency of employers.

Different tools of management accounting have provided validity, objectivity and reliability in business management

II. REVIEW OF LITERATURE

1. Abu Afifa, M. M., & Saleh, I. (2021) Management accounting effectiveness, perceived environmental uncertainty and enterprise risk management: evidence from Jordan. *Journal of Accounting and Organizational Change*, This study aims to investigate the direct relationship between management accounting systems effectiveness (MASE) and enterprise risk management (ERM).

2. Alsharari, N. M., & Daniels, B. (2023) Management accounting practices and organizational change aspects in the public sector: contextual/processual approach. *Journal of Accounting and Organizational Change*. The study aims to explain the process of management accounting practices and organizational change aspects in the public sector's response to environmental pressures.

3. Ampanale, C., Cinquini, L., & Grossi, G. (2021) The role of multiple values in developing management accounting practices in hybrid organisations. *British Accounting Review*, The aim of this study is to investigate how multiple values in non-profit hybrid organisations influence the adoption of management accounting practices. The empirical analysis centres on hybrid organisations established as co-production and co-management initiatives in social care.

4. Dasanayaka, C. H., Murphy, D. F., Nagirikandalage, P., & Abeykoon, C. (2020) The application of management accounting practices towards the sustainable development of family businesses: A critical review. *Cleaner Environmental Systems*, review the extant literature on the application of management accounting practices (MAPs) to the sustainable development of family businesses (FBs), and to identify future research avenues.

5. Hutaibat, K., & Alhatabat, Z. (2020) Management accounting practices' adoption in UK universities. *Journal of Further and Higher Education*, to explore the extent and the determinants of management accounting practices' (MAPs) adoption in UK universities. In this vein, the current study serves as a 'stock-take', first reference study for future studies investigating the effects and impact of HE funding changes on accounting systems and practices in universities. 44(8), 1024–1038.

III. RESEARCH METHODOLOGY

According to John Best, "Research is systematic activity directed towards discovery and the development of an organized body of knowledge.

Research is a process of systematic and in depth study of any topic or subject backed by collection, compilation, presentation and interpretation of relevant data. A research design is the specification of the methods and procedures for acquiring the information needs to structure what information is to be collected from which sources and by what procedures. Research design is needed because it facilitates the smooth sailing of various Research operations, thereby making as efficient as possible. In simple words it refers to the process of research.

IV. RESEARCH DESIGN

It is the overall plan or program of research. A researcher depending upon the topic of the study may choose explorative diagnostic, descriptive or experimental studies. The research is of descriptive type.

Any research design performs two major functions:

- Preparing a structure plan outlining various methods and techniques required in conducting the research.
- Making sure that these method and techniques are suitable for the research. It also ensures that these techniques will help in finding objective, precise, and suitable answers to the research questions. According to derringers, this function is called "control of variance".

SAMPLING DESIGN:

As soon as the design research is selected, the next task is to select the sample design. Sample design sets a platform for effective data collection and analysis. A sample design responsible for the effective selection of research samples. Selecting sample design affects many aspects related to the research work. Hence, selection of suitable sample design should be carefully performed.

DATA SOURCES:

Data is collected from secondary data.

SECONDARY DATA:

Data, which are not originally collected but rather obtained from published sources, are known as secondary data. This data was collected from company records journals.

DATA COLLECTION TOOLS:

Structured questionnaire is used here as the instrument to collect the data. Sampling Size The sample size of study is 100.

RESEARCH TOOLS:

Research tools are statistical techniques used for data analysis and to arrive at certain conclusions. The tools used for this project is, percentage analysis.

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PERCENTAGE ANALYSIS:

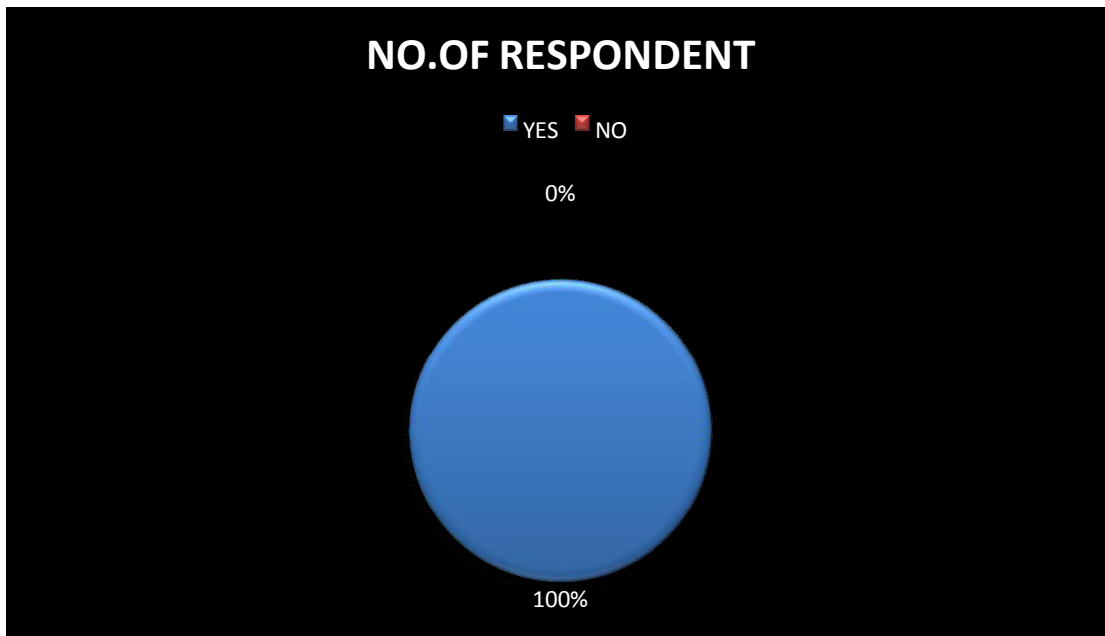
It refers to a special kind of ratio. Percentage are used in making comparison between two or more series of data. Percentages are used to determine relationships between the series of data. Finding the Relative Differences Become Easier through Percentage.

V. DATA ANALYSIS AND INTERPRETATION

Table 1: CLASSIFICATION ON THE BASIS DAY BY DAY OF RESPONDENTS FROM CHENNAI HEALTH FOUNDATION

PARTICULARS	NO. OF RESPONDENT	PERCENTAGE
YES	100	100%
NO	0	0
TOTAL	100	100%

The graph shows that day by day no. of respondents from Chennai Health Foundation



INTERPRETATION:

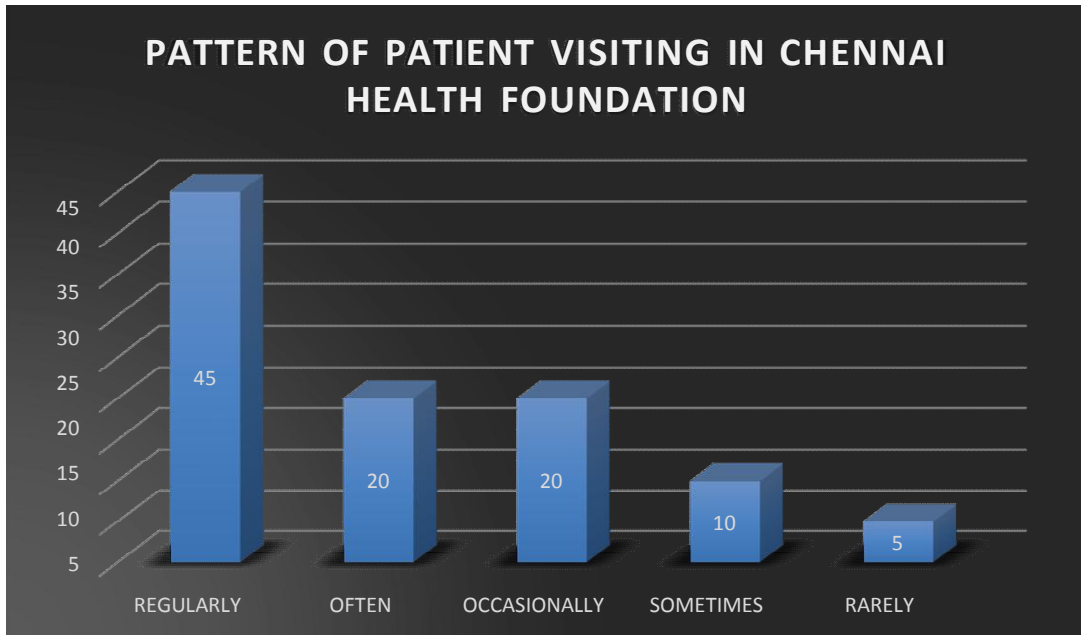
The table shows 100 respondents are day by day patients through Chennai Health Foundation. The pie chart shows that all respondents visit the doctor through Chennai Health Foundation because of the availability of service, satisfaction, discounts etc.

Table 2 PATTERN OF PATIENT VISITING IN CHENNAI HEALTH FOUNDATION

Table shows that no. of respondent often patient visiting in Chennai Health Foundation

FREQUENCY	NO. OF RESPONDENT	PERCENTAGE
REGULARLY	45	45%
OFTEN	20	20%
OCCASIONALLY	20	20%
SOMETIMES	10	10%
RARELY	5	5%
TOTAL	100	100%

shows that no. of respondent often patient visiting in Chennai Health Foundation



INTERPRETATION:

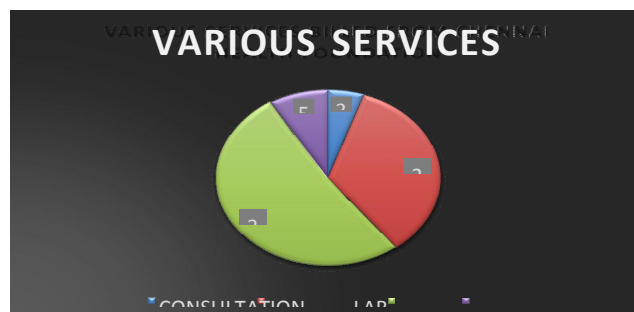
The table shows that 45% of respondents are visiting regularly, 20% of respondents are visiting often, 20% of respondents are visiting occasionally, 10% of respondents are visiting sometimes and 5 % of respondents are visiting rarely.

The graph shows that the majority of the respondents are visiting occasionally. Majority of the respondents are occasionally visitors

Table 3 SERVICES BILLED FROM CHENNAI HEALTH FOUNDATION

The table shows that categories of services that the patient billed from Chennai Health Foundation

PARTICULARS	TOTAL	RANK
CONSULTATION	30	4
LAB INVESTIGATION	200	2
SURGERY	300	1
OTHERS	20	3



INTERPRETATION:

The table shows that the surgery is the most preferred various respondents services in Chennai Health Foundation because the caring, services, and facility etc. And minority of respondents various other types of services

VI. FINDINGS

- The visiting regularly are respondents (45%). Respondents are visiting often (20%), respondents are visiting occasionally (20%), respondents are visiting sometime(10%) and 5 % of respondents are visiting rarely.
- The (20%) respondents are preferring MMM hospital, and 25% respondents are preferring Apollo Hospital and (20%) respondents are preferring Kavery Hospital and (20%) respondents are preferring MGM Hospital and remaining (15%) respondents are preferring other hospital.
- The surgery is the most preferred various respondents services in Chennai Health Foundation because the caring, services, and facility etc. And minority of respondents various other types of services.
- The express that delivery time factor motivates them and price factor are also same level and quality factor is high level and using availability factor and brand factors minimum level and payment mechanism factor.
- The development of growth rate in yearly bases

VII. SUGGESTION

The following are the suggestions that appeared while analysing the study

- The patients are regularly visiting hospital, need to be direct visit. Only few of the patients are online consultation.
- Usage of the medicine by the patient is required to be more the patients are buying daily also.
- Lack of financial incentives for provides to hold down total care costs for a populations of patient.
- High health care system administrative costs.
- Special discount, construction of final bill payment need to be provide for attracting the patient.
- Complete information about hospital need to be advertised for better understanding like camp etc.,
- Lucky the package of health checkup, surgery package etc., are required to patients and also to increase the profit.
- The hospital has to give inform all patient for the new pamphlet of extract lab test low cost etc.,

VIII. CONCLUSION

In conclusion, Managerial Accounting is an essential tool that helps managers make informed decisions. It provides relevant and timely information that guides planning, budgeting, product costing, decision-making, and performance measurement. In today's competitive business world, the effective use of Managerial Accounting is crucial for a company's success. By understanding the concepts and tools discussed in this article, managers can make more informed decisions that lead to better business outcomes.

This is a method used for the company's benefit. Over and above its limitations there are a lot more benefits of using management in the company which will this benefit in cost reduction, better decisions and more efficient work performed by employees. Due to this method, there is also improved communication between different departments. As it is not mandatory it should be used for the own benefit on the company which will be helpful in the long run of the business.

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