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Behavioural Management Accounting and Managerial Decision-Making: A Critical Review of Contemporary Evidence

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Abstract

The area of behavioural management accounting has been developed as an important field of research within the scope of accounting as managerial decision making is affected not only by accounting information but also by behavioural and organizational factors. This research provides a critical evaluation of the current literature into the interrelation between behavioural management accounting and managerial decision making by employing qualitative secondary research methods. PRISMA-guided systematic literature review has been carried out relying mainly on the results of peer-reviewed journal publications produced in 2020-2026. All papers have been examined by applying thematic analysis to reveal common patterns, areas of agreement, disagreements and gaps in the existing body of literature.

It has been found out that the behaviour of managers in terms of interpretation of information, perception of risk, cognitive biases, influence of organizational culture, leadership and incentives plays an important role in the process of decision making. It has also been discovered that the role of digital transformation becomes more apparent as technologies such as artificial intelligence and business analytics not only help to make decisions but introduce new behavioural issues, namely information overload and automation bias. Despite the fact that the contemporary research usually agrees with the hypothesis that behavioural management accounting positively affects managerial decision making, the interactions between the discussed factors remain inconsistent. It can be stated that efficient decision making of managers should be facilitated not only by advanced management accounting system but also by the consideration of behavioural factors, ethical leadership and proper control

Keywords: *Behavioural management accounting; Managerial decision-making; Cognitive biases; Management accounting; Behavioural accounting; Management control systems; Organisational behaviour; Digital transformation.*

Behavioural Management Accounting and Managerial Decision-Making: A Critical Review of Contemporary Evidence

1. Introduction

Management accounting has moved beyond its traditional role of providing financial information for planning and control to a more strategic one where it is used to support decision-making in a highly dynamic environment (Alsharari, 2024). Contemporary organizations face uncertain, technology-based, competitive, and rapidly evolving environments where managers are expected to make quick and well-informed decisions by using not only financial information but also non-financial information (Adamik and Sikora-Fernandez, 2021). Consequently, management accounting is no longer seen as an information system but rather a process whereby managerial judgment, cognitive interpretation and organizational context are crucial determinants of decisions made (Camilli et al., 2025). Such a development has triggered the academic interest in understanding not only the quality of accounting information but also its behavioral determinants influencing the way how the information is processed and applied in decision making.

Behavioural Management Accounting (BMA) has become a new research area that integrates concepts from accounting, psychology, behavioral economics and organizational behaviour to help understand managerial decision processes (Hanlon et al., 2022). As distinct from traditional management accounting that assumes that decisions are rationally based on objective financial information, behavioural management accounting recognizes the fact that decisions are frequently influenced by cognitive factors, emotions, motivations, incentives, organizational culture and social interactions (Wibbeke and Lachmann, 2020). All these behavioral elements affect how accounting information is produced, communicated, interpreted and finally incorporated into the decision making process. Recent developments in behavioral accounting research further suggest that modern technologies, digital reporting and data analytics create additional complexity of decisions due to the development of new types of information processing and behaviors.

An increased academic interest in BMA approaches stems from a growing awareness of the fact that the success of management accounting systems depends on both technical aspects and behavioral features of their users (Varzaru et al., 2022). Various management accounting tools like budgeting systems, performance measurement systems, balanced scorecards and management control systems are designed for decision making purposes (Mio et al., 2022). However, their impact on decision making is often influenced by managerial perceptions, leadership style, organizational incentives and other cognitive biases. For example, behavioral factors like overconfidence, anchoring, confirmation bias, and risk aversion can misguide managers even when they have accurate accounting information (Loang, 2025). Therefore, the same accounting information may lead to different decisions because of the ways it is perceived and processed.

Despite the extensive amount of research, the literature is still scattered across different disciplines and management accounting fields. The majority of the extant works is focused on the analysis of particular behavioural variables, experiments or management accounting techniques (Ranta et al., 2023). At the same time, there are relatively few attempts to synthesize the recent research to gain an insight into the role of behavioural management accounting in managerial decision-making (Weygandt et al., 2025). In turn, recent literature reviews have revealed several key gaps, including inconclusive results concerning behavioural responses, the interaction between organizational context and individual cognitive processes and the implications of digital transformation for the behavioural accounting research (Feghali et al., 2022). In this situation, there is a necessity to conduct a thorough critical review, which will integrate the current evidence, evaluate alternative approaches and set priorities for further research.

Therefore, the objective of the current study is to critically explore the impact of behavioural management accounting on the managers' decision-making within the contemporary organizations via the secondary analysis of the existing literature. The study aims at achieving the following objectives:

- To analyse the development of the concept of behavioural management accounting.
- To determine the most important behavioural factors that affect managerial decision-making.
- To critically analyse the current state of knowledge about the impact of behavioural management accounting on managerial decision-making;
- To determine gaps in the current literature and recommend further research direction.

In order to address these objectives, the study aims to answer the following research questions:

Q1: How has behavioural management accounting evolved within contemporary management accounting research?

Q2: Which behavioural factors have the greatest influence on managerial decision-making?

Q3: What does the contemporary literature reveal about the relationship between behavioural management accounting and managerial decision-making?

Q4: What gaps remain in the existing literature, and what directions should future research pursue?

The rest of the paper is structured as follows. The next part represents the critical review of the relevant literature on behavioural management accounting and managerial decision-making. It is followed by the research methodology that describes the design of the secondary research and the process of conducting the literature review. The discussion section presents the results of the analysis and their evaluation.

2. Literature Review

2.1 Behavioural Management Accounting: Concept and Evolution

Management accounting was historically understood as the practice of gathering, analysing, and disseminating information, financial and non-financial, to assist in managerial planning, control, and decision making (Ghandour, 2021). Management accounting practices were largely seen in technical terms of budgeting, costing, variance analysis and performance measurement, and the assumption was made that managers will take rational actions on the basis of objective information (Andreassen, 2020). With the growth of organisational complexity and discoveries of behavioural science, it became clear that rationality and objective information do not play a major role in managerial decision making, which is heavily affected by psychological, cognitive and other behavioural factors that affect the interpretation of accounting information and its use (Wood et al., 2024).

This problem has led to the emergence of the field of BMA that incorporates insights into accounting practice from accounting itself, psychology, behavioural economics and organisational behaviour (Hanlon et al., 2022). In contrast to traditional approaches in which accounting systems were viewed only from technical perspective, BMA takes into account their social nature as the systems in which the behaviour of both information producers and users is an important aspect that affects organisational results. In other words, while in traditional management accounting the idea is that management accounting information automatically improves decision making, in contemporary behavioural accounting research the interaction between accounting information, human judgment, organisational incentives and decision making behaviour are taken into account (El-Ebiary, 2020).

The development of behavioural management accounting is part of a more general transformation in the area of management accounting research (Pedroso and Gomes, 2024). While early studies concentrated on budgeting behaviour, participation in budgeting process, performance evaluation and motivation, current research extends far beyond these problems to include cognitive bias, feedback, leadership behaviour, ethical judgement, organisational culture, digital technologies and effects of management control systems, etc.

One of the crucial aspects of behavioural management accounting is the assumption that managerial actions are not determined by the notion of perfectly rational actors (Hanlon et al., 2022). Traditionally, accounting frameworks are based on the belief that managers assess available information rationally and make an optimal decision in line with their goals. Behavioural studies demonstrate that decision-making occurs under the conditions of bounded rationality since limited cognitive capacities, incomplete information, lack of time and uncertainty affect judgment process (Newell et al., 2022). Therefore, managers tend to use heuristics or mental shortcuts which help them in making more simple but biased decisions. Such behavioural issues are relevant for all the activities related to management accounting, such as budgeting, investment evaluation, cost estimation, performance evaluation and strategic planning. Thus, the same accounting information leads to different decisions due to different behavioural features of managers.

The current trend in behavioural management accounting is that researchers start paying attention to the effect of digitalisation on managerial behaviour (Varzaru, 2022). In particular, developments in artificial intelligence, business analytics, ERP-systems, real-time performance dashboards significantly expand the amount and the complexity of the accounting information accessible for managers. Although these technologies facilitate the information access, they still do not solve behavioural problems of decision-making. On the contrary, with the help of modern technologies, there emerge such behavioural issues as information overload, automation bias, algorithmic trust and changes in the feedback process between management accounting systems and organisation (Gibbs and Van der Stede, 2025). The current research suggests that studying behavioural responses to the digital accounting environment becomes one of the main priorities of management accounting.

Another current trend in behavioural management accounting is the growing importance of feedback as the essential behavioural aspect of management accounting system (Bhimani et al., 2023). Performance reports, budget variances analyses, key performance indicators and balanced scorecard serve as organisational feedback which is aimed at shaping manager's behaviour. However, the effectiveness of feedback depends on many factors, such as the credibility of the feedback source, behavioural features of the receiver, organisational context, complexity of the task and communication process. Positive and negative feedback can have different behavioural effects due to such things as individual perceptions, motivation and organizational culture (Fridan and Maamari, 2024).

In spite of remarkable advances made in the field, behavioural management accounting appears to be still in development, having many different approaches and inconsistent empirical data related to behavioural factors' relative significance (Namazi and Rezaei, 2024). In particular, studies based on different theories, research methods and organizational environments often arrive at divergent conclusions. Furthermore, although modern literature pays attention to interaction of behavioural accounting and digital revolution, little is known about ways in which modern technologies affect the process of judgement and decision making by managers. All that calls for consistent summarizing of present knowledge in order to develop a clearer picture of behavioural management accounting and managerial decision-making.

2.2 Theoretical Approaches to Behavioural Management Accounting

Along with the growing popularity of behavioural management accounting, there appear many theoretical approaches that provide explanation of why managers usually do not make rational decisions. In contrast to economic theories that presume evaluation of all alternatives objectively in order to maximize company results, behavioural approaches take into account limitations of cognitive abilities, various biases, organizational interactions and context effects (Cyert and March, 2020). That is why behaviour management accounting relies on many different theories and uses them to clarify how accounting information is used by managers in their decisions.

The most important of those is Bounded Rationality Theory introduced by Simon and increasingly used in modern management accounting research (Morales Burgos et al., 2020). The theory states that managers seldom have full access to all information and unlimited ability to evaluate all possible alternatives. Rather, they make satisficing and not optimal decisions using certain decision rules and heuristics. Modern managers face complicated financial reports, ambiguous environment and considerable time pressure; all that creates additional limitations on information processing (O'Regan, 2025). Modern behavioural research shows that those limitations are especially noticeable in digital era when managers have access to plenty of accounting information (Hanlon et al., 2022). Consequently, such circumstances increase probability of cognitive overload and heuristic decision making, so that accounting information should be considered as helping but not decisive in managerial decision-making process.

Another prominent framework is that of Behavioral Decision Theory (BDT) (Takemura, 2021). As compared to Normative Theory, BDT deals with the way people make decisions when there is uncertainty, rather than describing an ideal way of decision making based on economic theories (Feather, 2021). The key elements of Behavioral Decision Theory are cognitive heuristics, emotions, past experience, and individual risk assessments. In management accounting, this framework explains why managers perceive similar accounting information in different ways based on their past experience, role in organizations, or the results of their actions. Instead of applying only analytical methods to make their decisions, managers apply financial information along with their intuition and subjective judgments, especially when it comes to strategic decisions under conditions of uncertainty. There is plenty of evidence in modern literature that supports the applicability of Behavioral Decision Theory.

Closely related to Behavioral Decision Theory is Prospect Theory that became more popular recently in the realm of behavioral accounting (Hanlon et al., 2022). The basic assumption of this theory is that people tend to be more afraid of losses than of gains; therefore, they assign greater value to potential losses. It is generally referred to as loss aversion. It has important implications for the behavior of managers when making accounting decisions such as budgeting, investment evaluation, risk management, and performance evaluation. The managers tend to be careful in dealing with potential losses while trying to recover them. Such a behavior might be quite different from that expected from managers who make decisions rationally. The recent studies use Prospect Theory to explain the behavior of managers under conditions of uncertainty, especially when accounting information is used to make strategic decisions and allocate resources (Yuan et al., 2022).

Agency Theory is another theoretical framework often used in behavioural management accounting (Gordon and Trottier, 2025). Although initially focused on the conflict of interest between principal and agent, modern studies tend to recognize the behavioral aspects of agency theory. Managers are considered motivated to pursue their organizational goals and personal interests, thus making their decisions. The consequence of such approach is the influence of incentive schemes, performance measurement systems, and compensation system not only on managerial behavior but also on accounting information interpretation and communication. Thus, behavioural management accounting goes beyond Agency Theory and assumes that managerial decisions are made on the basis of self-interest, bounded rationality and risk preference, not only of contract nature. Behavioral assumptions help to explain the situations where accounting information was manipulated, selectively interpreted and strategically communicated.

Perspectives of institutional and organizational theory have also found their application in the field of behavioral management accounting (Wibbeke and Lachmann, 2020). These perspectives imply that managers' behavior is not determined by individual cognitive processes only but also by organizational culture, leadership, social norms, and institutional factors. Managers work in the organizational context, which defines acceptable decision-making practices, affects performance expectations and determines the use of accounting information (Sinnaiah et al., 2023). Thus, behavioral management accounting recognizes that efficient decision-making requires interaction between individual behavior and organizational context and not cognition only. Contemporary studies more and more focus on interdisciplinary approach, combining psychology, organizational behavior and management accounting.

The aforementioned theoretical frameworks illustrate that behavioral management accounting is based on the assumption that managerial decisions cannot be explained by rational choice theory models only. Rather, decision-making involves a complex process which is affected by cognitive, behavioral, organizational and institutional factors. Theoretical frameworks discussed above help to understand why accounting information does not result in similar managerial behavior and why behavioral aspects became crucial in modern management accounting research. Theoretical base allows studying the particular behavioral factors influencing managerial decision-making in more detail, which is the goal of next section.

2.3 Behavioural Factors that Influence Management Decision Making

Decision making by managers is influenced by a wide variety of behavioural factors that determine how accounting information is interpreted and utilised (Hanlon et al., 2022). Even though accounting information provided by management accounting systems should be factual and objective, the quality of managerial decisions is greatly determined by the behavioural characteristics of decision makers (Thuy, 2025). Modern studies in behavioural accounting demonstrate that interaction between cognitive, organisational, incentivising, and technological processes affects the decisions made by managers. As a result, it is important to understand the role of behavioural factors that make managers, being provided with similar accounting information, take different decisions.

Cognitive biases are the most widely researched behavioural factor that influences managerial decision-making (Mirbagheri et al., 2025). Cognitive biases are consistent distortions of objective assessment caused by reliance on mental heuristics in order to reduce the complexity of decision-making. Such biases as overconfidence, anchoring, confirmation bias, and availability bias have considerable effect on such accounting tasks as budgeting, forecasting, investment evaluation, and performance measurement (Camilli et al., 2025). Overconfidence makes managers overestimate the accuracy of financial forecast and ignore business risks while the anchoring bias makes managers rely excessively on initial information despite further accounting evidence. At the same time, confirmation bias makes managers search for information supporting their views while neglecting evidence contradicting them. All these factors decrease the objectivity of managerial decisions which might lead to reduced organisational effectiveness (Akwaeze et al., 2025).

Perception of risks is another important behavioural factor that affects managerial accounting (Nielsen and Pontoppidan, 2020). Traditional accounting models presume that managers analyse risks objectively basing on financial information; however, modern behavioural studies prove that people's perception of risks differs significantly (Fridson and Alvarez, 2022). Such factors as personal experience, organisational status, emotional state, and personal responsibility determine how managers perceive risks. Risk-tolerant managers will promote risky investment projects despite uncertain financial results while risk-averse managers will refuse from profitable options due to their excessive attention to losses (Godfrey et al., 2020). Prospect theory explains many behavioural factors as it implies that people attach more psychological value to losses rather than to gains of the same amount.

A behavioral feature related to incentives and performance measures also deserves attention. In management accounting systems, managers are motivated by the use of budgets, performance metrics, and incentives, which encourage individuals' actions in accordance with the organization's goals (Jatmiko, 2022). However, incentives can result in undesired behavior. Financial rewards can cause short-termism, earnings management, budgeting slack, and risk-taking among other behaviors. Thus, according to recent research, efficient management accounting should have a balance between financial outcomes and behavioral aspects and cannot be based only on financial performance metrics.

The third important factor influencing managerial decision-making is organizational culture (Tierney, 2023). Management accounting information is used in the context of organizational culture with common values, communication style, leadership, and ethics. Generally, open organizations fostering transparency, cooperation, and learning contribute to better managerial judgment since managers are encouraged to question their assumptions, share information and consider different alternatives

(Endenich and Trapp, 2020). Conversely, hierarchical or punitive organizational cultures may discourage discussions. As a result, managers will engage in defensive decision-making and selectively interpret accounting information in order to meet the needs of senior management.

Modern development of management accounting, which is associated with the increased digitization of accounting activities, is another behavioral factor (Mansoor et al., 2022). Nowadays, artificial intelligence, business analytics, enterprise resource planning, and performance dashboards provide managers with more accounting information than ever before (Bose et al., 2023). While these tools allow improving analysis, they also increase the risks of information overload, automation bias, and overreliance on algorithmic suggestions. Recently, researchers found that managers can either have too much confidence in automated systems or ignore analytical results due to their lack of understanding of algorithms. As a result, technology advancements do not eliminate behavioral effects but instead create new dimensions of behavior for management accounting studies (Bankins et al., 2024). Contemporary empirical evidence shows that behavioral aspects cannot be separated from management accounting practice. Risk perception, cognitive biases, incentives, organizational culture, and technology development affect managerial judgment and decision-making quality. The above-mentioned evidence supports the thesis that efficient management accounting requires not only high-quality information but also knowledge about the behavioral characteristics of managers who use that information.

2.4 Behavioural Management Accounting in Contemporary Organisations

Management accounting is becoming more and more relevant as firms have to function in the environment of high competition, advanced technologies, and uncertainties (Pedroso et al., 2020). The management accounting systems used by modern organisations include strategic planning, organisational learning, sustainability activities, and digitalisation, among other issues. Thus, behavioural factors are becoming a part of contemporary accounting practices. Budgeting is one of the most frequently studied examples of the use of behavioural management accounting (Mohr and Kearney, 2021). Participative budgeting where managers take an active part in the process has been positively related to the level of motivation, organisational commitment, and information flow (Bartocci et al., 2023). Nevertheless, according to behavioural theories, participative budgeting can lead to the creation of budgetary slack if managers try to misrepresent performance goals in order to have a good review later. Therefore, for successful implementation of the budgeting practice, there should be a balance between involvement of employees in the budgeting process and proper control.

The use of performance measurement systems demonstrates the behavioural nature of management accounting (Pedroso et al., 2022). Modern organisations tend to use multidimensional indicators such as the Balanced Scorecard and sustainability measures in their performance evaluation practices (Mio et al., 2022). Though these approaches allow using richer information compared to the financial measures, some studies show that managers prefer to use those indicators which are related to incentive schemes and ignore other indicators. Such approach is not effective for performance measurement systems.

Behavioural management accounting has become an important element of strategic decision making. Investment decisions, resource allocation, price policies, and innovation management involve the interpretation of complex accounting information in case of uncertainties (Weygandt et al., 2025). According to recent studies, strategic decisions are not made only on the basis of financial calculations but due to the interaction between accounting information, experience of managers, organisational knowledge, and behavioural judgment (Crawford and Jabbour, 2024). Therefore, management accounting becomes more and more important as a strategic partner of firms.

With a heightened focus on sustainable development, the scope of behavioral management accounting has been extended to include ESG (environmental, social, and governance) reporting (Xia et al., 2025). It imposes obligations on the managers to integrate financial and non-financial information when making organizational decisions. The way in which the managers prioritize the sustainability goals, reconcile short-term financial results with long-term stakeholder demands, and cope with the pressures from accountability is influenced by behavioral aspects (Rahi et al., 2024). Recent research shows that an organization that possesses strong ethical culture and leadership usually succeeds in integrating the sustainability information into the strategy of management better.

Another trend that influences behavioral management accounting is the process of digital transformation (Andreassen, 2020). Such technologies as artificial intelligence, predictive analytics, and machine learning have provided the accountants with decision-supporting capabilities, but at the same time, they have created new challenges for managers related to the need to develop analytical skills and cope with new behavioral risks associated with algorithmic decision-making. Instead of replacing the managerial judgments, the digital technologies seem to have made them even more important for the modern management accounting practice (Arkhipova et al., 2024). In general, these developments confirm the importance of behavioral management accounting for the modern organization management. Its uses extend across budgeting, performance measurement, strategic planning, sustainability reporting, and digital transformation, thus demonstrating the behavioral nature of the management accounting systems.

2.5 Critical Synthesis of Contemporary Evidence

There is a wide recognition in the current literature that the behavior of the managers is crucial for the quality of their decisions; however, there are some inconsistencies with respect to the weight and nature of the impact of the behavioral factors on the decisions (Cristofaro et al., 2024). It means that the difference is due to research methodology and not the essence of the issue under consideration. One of the strengths of the contemporary research is the growing interdisciplinary nature of the behavioral management accounting research (Hanlon et al., 2022). In fact, it has incorporated theories from psychology, behavioral economics, organizational behavior, and information systems, thus providing a much deeper understanding of managerial decision-making processes than the traditional accounting research could provide. However, there are still some limitations in the existing body of knowledge. First, many studies rely on experimental data, survey or case studies conducted in developed countries, restricting the ability to generalise results for different settings (Yamane and Kaneko, 2021). Second, while many studies investigate particular behaviour of managers, managerial decisions take into account several interacting behavioural factors (Du et al., 2020). As a result, the literature provides a limited understanding of the interplay between cognitive biases, organisational culture, digital technologies and incentive mechanisms and how they affect managerial decisions.

Another important limitation stems from fast developments in digital accounting environment. Even though the contemporary body of knowledge takes into account the growing role of artificial intelligence and analytics, empirical studies on managerial behavioural reaction to these technologies are relatively few (Nielsen, 2022). The questions of algorithmic trust, automation bias, accountability of artificial intelligence and human-machine cooperation have not been sufficiently investigated yet despite becoming increasingly relevant (Romeo and Conti, 2026). It would be useful to conduct studies about the effect of these technologies on managerial cognition and behaviour within organisations. It can be argued that the body of knowledge suggests that behavioural management accounting has become a part of management accounting research. Indeed, the literature demonstrates that managerial decisions depend on behavioural, technological and organisational factors in addition to accounting information. Inconsistencies in empirical results, methodological heterogeneity and lack of literature on digital behavioural management accounting justify future research in this field. This gap in literature provides a basis for the present research, which aims to critically review contemporary findings to create an integrated view of the topic.

3. Research Methodology

3.1 Introduction

This section describes the research methodology used in the investigation of the influence of behavioural management accounting on managerial decision-making. Since the study intends to critically review and synthesis the body of existing knowledge rather than generate new empirical findings, the secondary research methodology is used. This research methodology is justified when the sufficient number of literature sources exists that allows comparing findings, highlighting recurring themes, investigating the inconsistencies and identifying topics that require further research (Linnenluecke et al., 2020).

Scholarship on behavioural management accounting is a multifaceted field which includes several disciplines such as accounting, psychology, behavioural economics, organisational behaviour and strategic management (Hanlon et al., 2022). As a result, each piece of research usually concentrates on specific aspects of behaviour like cognitive bias, organisational culture, incentive systems, leadership, or decision-making under uncertain circumstances. Even though these studies provide valuable knowledge, their findings are fragmented in different theories and organizational contexts. The secondary research is therefore the most suitable way to synthesize the above findings in the context of managerial decision-making.

The current research uses a PRISMA 2020-guided systematic literature review to improve transparency in article identification, screening, eligibility, and inclusion (Agarwal, 2026). PRISMA 2020 uses a checklist and flow diagram to report systematic review processes clearly. Unlike descriptive literature reviews which merely summarize past research, critical literature reviews compare evidence, evaluate methodological strengths and weaknesses of research, identify areas where there is a consensus among researchers and controversies, as well as highlight gaps in the existing literature. Critical literature review is an effective research design for accomplishing the research goal by conducting a comprehensive analysis of behavioural management accounting and its role in managerial decision-making. The present section starts with the explanation of research design adopted for the study, the literature search strategy and criteria for selecting relevant literature. Then it provides an overview of the research methodology used for analyzing the evidence. Next, it highlights the methods used to maintain the quality and validity of the review. Finally, it discusses ethical issues associated with the secondary research and limitations of the methodology used.

3.2 Research Design

In the current study, the secondary research design based on a critical literature review is used. In contrast to primary research which requires the collection of new evidence, secondary research involves analysis and interpretation of already published information. This research design is especially applicable when the aim of the research is to gain a comprehensive understanding of the topic using a synthesis of evidence from various studies. Considering the increasing interest to behavioral management accounting in recent years, there is sufficient number of peer-reviewed research papers which can be critically evaluated, which makes secondary research design suitable for the current study (Camilli et al., 2023).

In addition to the general literature review, the critical literature review goes beyond the descriptive summary of previous studies as it evaluates the quality, consistency, and importance of existing evidence. Differently from the traditional narrative review that mostly reports results of prior researches, the critical literature review presents contrasting theoretical perspectives, identifies strengths and weaknesses of research methods used, compares opposing conclusions and draws attention to possible directions for further exploration. Therefore, the review helps to build better understanding of the role of behavioural management accounting in influencing managerial decision-making and to form an integral view of current knowledge in this sphere.

The justification for choosing the critical literature review as a research method is based on the interdisciplinary character of behavioural management accounting research. The research in this field combines elements of accounting science, behavioural economics, psychology, organizational behavior, and management science. Every individual study examines a particular aspect of managerial behavior, such as cognitive biases, motivation and incentives, organizational culture, leadership, and influence of technology on decision-making. However, despite the value of individual studies, they often use different theoretical approaches, research methods, and organizational settings, thus producing fragmented evidences. A critical literature review helps to systematize and integrate those different findings into a coherent view of relations between behavioral management accounting and managerial decision-making (Chang et al., 2023).

The focus of this review is put on the recent peer-reviewed journal articles from 2020 to 2026 to guarantee that the analysis reflects contemporary developments in behavioural management accounting. Only some older articles have been examined where they provided important theoretical foundations for current research such as development of the theories of behavioral decision making and the concepts of management accounting. The effects of digitalization, new advances in management accounting and changing organizational environments can be examined in recent years by focusing on the recent literature,. At the same time, this research design facilitates the achievement of the major aim of the research by making it evaluative. As a result of the systematic comparison of evidence from different authors during the review process, the areas of agreement, contradictions in empirical findings, trends in research and gaps in existing literature become apparent. Therefore, the review not only summarizes the contemporary knowledge but critically examines the contribution of behavioral management accounting to managerial decision-making.

3.3 Literature Search Strategy

As the search followed the PRISMA 2020 guidelines, a systematic literature search was performed to find articles on the subject of behavioural management accounting and managerial decision-making. In this way, the aim was to make the review comprehensive, systematic, and evidence-based. Thus, some well-known academic databases were explored including Scopus, Web of Science, ScienceDirect, Emerald Insight, SpringerLink, and Google Scholar. It was done since the chosen databases have a wide coverage of peer-reviewed journals in fields of accounting, management, organizational behaviour, and behavioural science, which makes finding reliable studies more possible.

The following search strategy consisted of keywords and Boolean operators usage to increase both sensitivity and specificity of the search. Keywords included "behavioural management accounting," "behavioural accounting," "management accounting," "managerial decision-making," "management control systems," "behavioural biases," "organizational behaviour," and "accounting information." Boolean operators such as AND, OR were used to combine the keywords. For example, such combinations as "behavioural management accounting AND managerial decision-making," "management accounting AND behavioural biases" were used. Also, the references of the highly relevant articles were checked to include additional studies not found in the database search.

To be up-to-date with current trends in the field, it was decided to use the publications only of the period from 2020 to 2026. However, there were few earlier publications which were important for the development of the theory of behavioural management accounting included in the review. The search proceeded until it had been enough literature identified to cover all the research aims while remaining relevant and academically valid.

3.4 Study Selection Criteria

After performing the literature search, the selected publications were assessed on the basis of certain criteria to provide consistency and relevance throughout the whole review. First, the importance of peer-reviewed articles was acknowledged by the authors since they are the highest form of academic evidence. Then, the inclusion criterion was the publication language – only English publications were considered in this study. Finally, the publications were chosen based on their relevance to behavioural management accounting, managerial decision-making, behavioural accounting, management control systems, or similar topics.

Studies focusing exclusively on the issues of financial accounting, external auditing, taxation, or corporate finance without considering the behavioural aspect of management accounting were left out of the review. Furthermore, conference proceedings, editorials, book reviews, dissertations, opinion pieces, and duplicate studies were not considered due to their lack of methodological quality required for this study. In cases when several studies provided similar conclusions, preference was given to more recent and rigorous publications. Thus, application of such criteria provided an opportunity to work with a literature base that is up-to-date, relevant and high-quality enough for the purposes of critical analysis. To ensure transparency and reproducibility, the study followed the PRISMA 2020 Statement during the identification, screening, eligibility assessment, and inclusion of relevant studies. The overall study selection process is presented in Figure 1, while the search strategy, including the databases, search strings, and number of records retrieved, is summarised in Figure 1.

Figure 1: PRISMA 2020 Flow Diagram of the Study Selection Process

Figure 1: PRISMA 2020 flow diagram

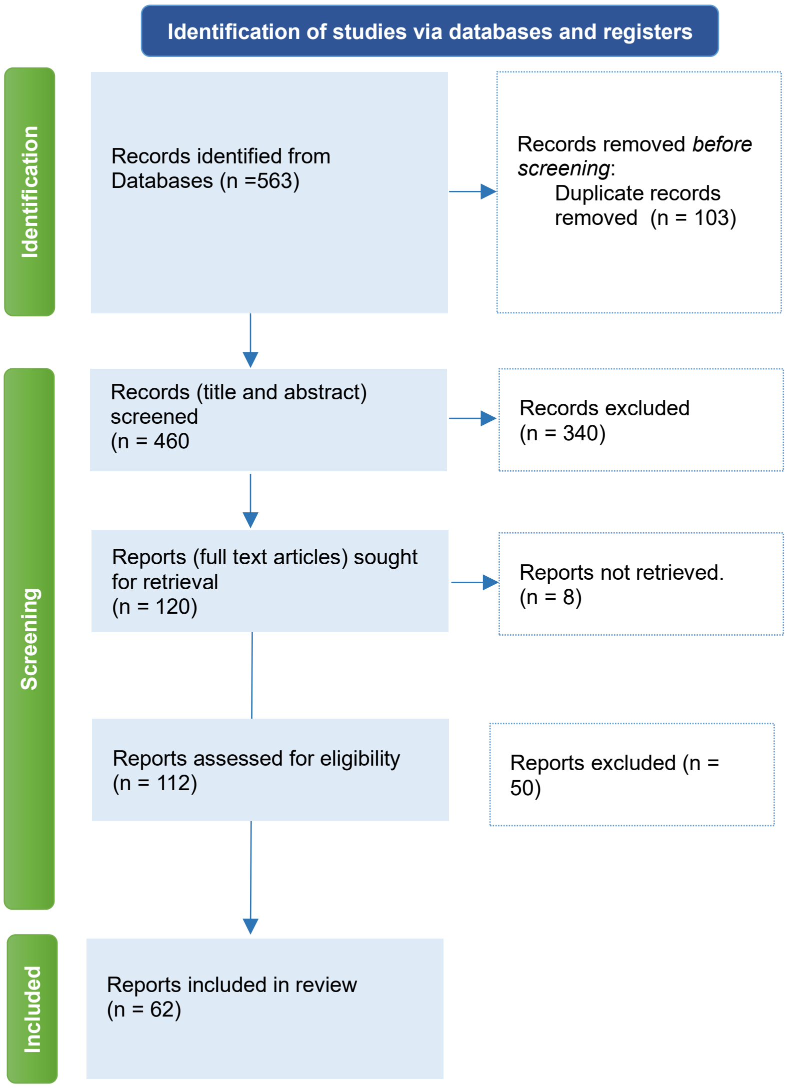
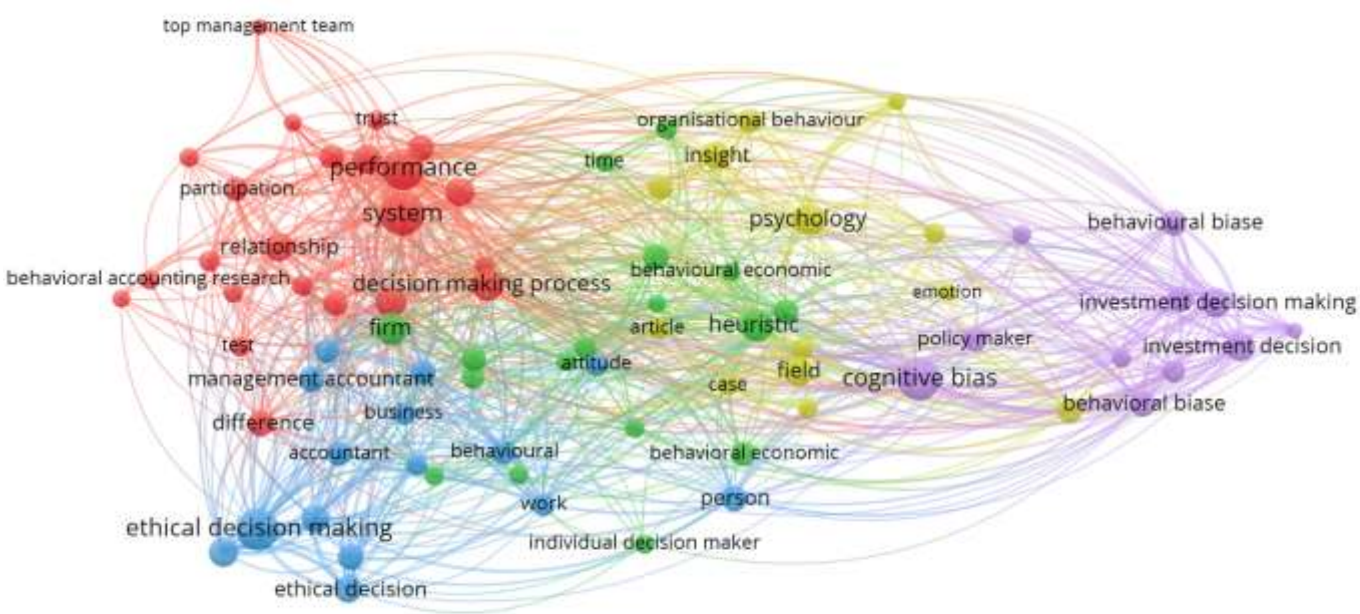


Figure 1 summarises the PRISMA 2020 study selection process adopted in this review. The initial database search identified 563 records from the selected academic databases. After removing 97 duplicate records, 466 studies remained for title and abstract screening. Following the screening stage, 351 records were excluded because they did not meet the predefined inclusion criteria. The remaining 115 full-text articles were sought for retrieval, of which 6 could not be retrieved. Consequently, 109 full-text articles were assessed for eligibility, and 47 studies were excluded because they did not adequately address the research objectives or failed to satisfy the established selection criteria. Ultimately, 62 studies met all eligibility requirements and were included in the final literature review. This systematic selection process enhanced the transparency, consistency, and reproducibility of the review in accordance with the PRISMA 2020 guidelines.

To complement the thematic analysis, a bibliometric keyword co-occurrence analysis was conducted using VOSviewer. Keywords extracted from the selected studies were analysed to identify the main research themes and the relationships between frequently occurring concepts within the behavioural management accounting literature. The resulting network provides a visual representation of the intellectual structure of the reviewed studies.

Figure 2. Keyword Co-occurrence Map of the Literature Included in the Review



Note: Author's own visualisation generated using Harzing's Publish or Perish and VOSviewer (2026) based on the selected studies included in this review.

Figure 3.2 illustrates the keyword co-occurrence network generated from the selected studies. The size of each node represents the frequency with which a keyword appears in the literature, while the connecting lines indicate the strength of relationships between keywords. Different colours represent clusters of closely related research topics. The figure shows that performance, decision-making process, system, cognitive bias, behavioural bias, investment decision-making, ethical decision-making, and organisational behaviour are among the most prominent themes within the literature. The strong interconnections between these concepts demonstrate the multidisciplinary nature of behavioural management accounting and support the thematic analysis conducted in this study by highlighting the central role of behavioural factors in managerial decision-making.

3.5 Data Analysis

Thematic analysis, a qualitative methodology widely used in research and known for identifying, organizing and interpreting recurring patterns in the textual data, was employed to analyze selected studies (Ahmed et al., 2025). This particular method was chosen because the purpose of the present study was not to conduct a quantitative analysis of findings but to synthesize current evidence and develop an understanding of the topic. Initially, each of the selected articles was read thoroughly with an aim to understand the purpose, methodology, theoretical framework and key findings of the study. In the course of this step, recurring topics and behavioral themes were identified and coded. Next, studies exploring similar behavioral phenomena were categorized in order to compare them across various organizational contexts and methodologies applied. Special emphasis was placed on such topics as cognitive biases, bounded rationality, organizational culture, incentive systems, leadership, technology and the influence of the behavioral factors on strategic decision-making. In the course of coding, the identified themes were critically compared in order to find areas of similarities, differences and emerging research trends. Instead of reviewing individual studies, an attempt was made to synthesize the findings in order to assess the influence of various behavioural factors on managerial decision-making collectively. This helped not only to identify gaps in the current literature but also to provide a basis for the discussion of the next part.

3.6 Quality Assurance and Ethical Considerations

Credibility and trustworthiness of the review became the major issues in the whole process of research (Riazi et al., 2023). Quality assurance has been assured through application of the clear searching strategy, strict study selection criteria, and selection of peer-reviewed journal articles in renowned academic journals. Moreover, use of various academic databases helped reduce the possibility of publication bias as a result of diversity of the literature used. Furthermore, the use of contemporary studies helped assure that the review takes into account the most recent development in the field of behavioural management accounting based on the established theoretical framework.

The credibility of the analysis has been increased through comparison of findings obtained from different independent studies rather than reliance on one article (Pehlivanoglu et al., 2021). Contradictory findings have been carefully assessed rather than rejected which allowed the review to provide a balanced account of the current state of knowledge in the subject area. Comparative nature of the research helped increase the validity of the conclusions reached as it took into account the fact that the concept of behavioural management accounting is affected by different organisational contexts, methods, and theoretical frameworks. As the research is based on the already existing published academic literature, there were no human participants involved in the research, thus, there is no need for ethical approval. However, the study has been conducted according to the known principles of academic integrity. Ideas, findings, and theoretical arguments taken from other sources have been properly cited and referenced. Literature has been presented in an objective way without any selective reportage and deliberate distortion of the information.

3.7 Limitations of the Methodology

Even though the chosen methodology allows for a thorough evaluation of modern research in the field of behavioural management accounting, there are some limitations that should be mentioned. First of all, findings of the review rely completely on the quality and scope of the existing published researches. Thus, any possible methodological limitations, sampling issues, and contextual constrains present in the original study may affect the results of the review. Secondary research cannot validate or replicate previous findings due to impossibility of gathering the information directly.

Secondly, the review mainly focused on peer-reviewed articles written in English. Such an approach increased the reliability and consistency of analyzed literature. However, relevant researches could be missed, as they were conducted and reported in other languages and through professional reports. Besides, the field of behavioural management accounting evolves quite dynamically due to new technological advancements. Hence, new evidence can become available after conducting the literature search. Finally, being an interdisciplinary area, behavioural management accounting poses further challenges to the analysis. Specifically, reviewed researches used various theories, methodologies, and organizational settings. Nevertheless, in spite of all above-listed limitations, the selected methodology provides a strong tool for critical synthesis of contemporary evidence and solving the research objectives. Systematic literature review and evaluation of convergent and divergent findings allow obtaining a comprehensive view on the role of behavioural management accounting in managerial decision-making and identify some directions for future research.

4. Discussion

4.1 Behavioural Biases and Managerial Decision-Making

The reviewed literature demonstrates that behavioral biases have a significant impact on managerial decision-making, thus questioning the assumption of managerial rationality. Despite the fact that traditional management accounting systems are supposed to provide objective information, their efficiency largely depends on how such information is interpreted and used by managers. Modern research shows that managerial judgment is driven by heuristics, previous experiences, emotions, and organisational pressure leading to non-rational economic decisions (Hanlon et al., 2022; Camilli et al., 2025).

Out of the listed behavioural elements, cognitive biases seem to be the most influential in case of management accounting decisions. Cognitive biases such as overconfidence, anchoring, confirmation bias, and availability bias influence managerial judgment throughout the whole process of decision-making. For example, overconfidence makes managers overestimate the precision of forecasting and underestimate the business risk. As a result, they tend to develop unrealistically optimistic budget and make irrational investments. At the same time, anchoring bias makes managers base their judgments on the first financial estimates provided despite the updates in accounting information (Camilli et al., 2025; Mirbagheri and Rafiei Atani, 2025; Loang, 2025).

The existing literature reveals that there are still issues related to the confirmation bias in management accounting practice. Managers tend to prefer information that supports their existing beliefs while paying little attention to contradictory facts. Such behaviour decreases the efficiency of management accounting reports since financial information is being used in a biased way. It is especially noticeable in case of strategic planning and capital investments when managers have their own preferences concerning organisational objectives. Therefore, the quality of accounting information does not guarantee the success of decision making process due to behavioural biases in its interpretation (Hanlon et al., 2022; Camilli et al., 2025; Takemura, 2021).

Even though the majority of modern studies consider the adverse effects of cognitive bias, some authors claim that the heuristics should not be treated as an obligatory feature of failed decision making process. In case of uncertainty, shortage of information and time restrictions, simple decision rules will help managers to take decisions quickly and effectively. Modern companies usually face such demands to respond rapidly to competitive environment which makes rational analysis impossible. From such perspective, the use of heuristics can be seen as adaptive management strategy rather than as the source of mistakes. However, the discussed studies show that the organization needs to introduce the management accounting control system which would help to reduce unnecessary biases while retaining managerial discretion (Newell et al., 2022; Hanlon et al., 2022; Bhimani et al., 2023).).

Finally, another important point relates to the issue of perceived risk. According to the Prospect Theory, managers tend to view gains and losses differently, assigning higher value to losses than to similar gains. Most of the studies under review confirm the above-mentioned assumption showing that managers are more risk-averse if performance is positive but are willing to take much greater risks in order to compensate for the earlier losses. Behavioural responses affect investment evaluation, budgeting, resource allocation, and strategic planning. Thus, accounting information is being interpreted by managers subjectively taking into account uncertainty and performance (Yuan et al., 2022; Takemura, 2021; Godfrey et al., 2020).

Thus, the findings show that the role of behavioral biases increases when the environment becomes extremely uncertain for business. In the era of digital transformation, economic volatility, geopolitical uncertainty, and fast-changing market conditions, the complexity of managerial decision-making has grown considerably. At the same time, managers experience increased pressure and handle larger amounts of accounting information. Instead of removing behavioral effects, increased information becomes another factor that may exacerbate their impact by creating information overload and making managers rely more on their intuition. Modern behavioral accounting research argues that improvements in the design of accounting information systems cannot make enough difference if organizations do not take into account the behavioral capabilities of managers (Varzaru et al., 2022; Bankins et al., 2024; Gibbs and Van der Stede, 2025).

One of the most common findings that can be seen from the reviewed literature is that behavioral biases rarely act independently. Cognitive biases usually interact with organizational motivations, behavior of managers, organizational culture, and technologies. The overconfident manager may become more exposed to poor decisions in case his or her organization is motivated financially to take too many risks or does not encourage a critical evaluation of strategic decisions due to its organizational culture. It means that behavioral management accounting needs to be considered an organizational phenomenon rather than just a psychological process (Hanlon et al., 2022; Wibbeke and Lachmann, 2020; Sinnaiah et al., 2023).

Although there is almost no dispute about the importance of behavioral biases, there are a number of contradictions among authors in relation to their effect. Empirical studies show different intensities of the effect depending on the context, and, in particular, on differences in research methodology, industries, and countries of study. Experimental studies reveal a more significant role of behavioral effects than field studies. It happens because experimental studies work in controlled conditions while field studies reveal the effect reduced by organizational controls.

In conclusion, the evidence provided above strongly supports the assumption that behavioural biases act as one of the key factors influencing managerial decision-making. The results confirm the fundamental principle of behavioural management accounting according to which accounting information can never be considered independently of people interpreting it. Therefore, any organisation that wants to improve the quality of its decisions should not limit itself to the development of advanced management accounting systems but should pay attention to detecting and eliminating behavioural issues impacting managerial decision-making.

4.2 The Impact of Management Accounting Information on Behaviour

The goal of the management accounting system is to generate accounting information that is going to help the organisation plan its activities, control operations, and make strategic decisions. However, the impact of such information on decision-making processes depends not only on the information generated but also on the way it is interpreted by managers. According to the available data, management accounting information does not directly influence managerial decisions. Instead, it acts on behaviour via managers' perceptions, experience, motivations, and organisational contexts. Thus, accounting information is used by managers not as technical means but as a behavioural tool (Chang et al., 2023; Pedroso and Gomes, 2024).).

Budgeting is an excellent example of the impact of accounting information on managers' behaviour. Recent research demonstrates that participative budgeting usually helps to improve communication, organisational commitment, and employees' motivation by involving managers in the process of budget preparation. Participation allows managers to have better knowledge about goals set by the company and gives them the feeling of ownership of the budgeted financial targets. At the same time, participative budgeting is accompanied by certain risks related to the managers' behaviour. For instance, managers might try to manipulate budget estimates in their interests and understate the performance level or overestimate needed resources in order to create budgetary slack and improve their future performance assessment (Bartocci et al., 2023; Namazi and Rezaei, 2024).

Similarly, performance measurement systems represent another example of the impact of behavioral effects on management accounting information. Modern firms utilize multidimensional performance metrics like Balanced Scorecard, KPIs, and sustainability metrics to evaluate organizational success. While such an approach offers more complete information compared to traditional financial metrics, recent academic work suggests that managers usually prefer to pay more attention to those indicators that play a significant role in performance evaluation and financial rewards while ignoring others (Mio et al., 2022; Jatmiko, 2022; Pedroso et al., 2020)). Such a behavioral approach to using accounting information can be harmful for organizational goals because of the focus on short-term decision-making rather than value creation.

The literature suggests that the role of management control systems in shaping managerial behavior is associated with setting up organizational expectations and accountability. Financial reports, variance analysis, cost information, and performance reviews help continuously evaluate managerial performance. Constructive feedback can contribute to better learning and decision-making of managers; however, too strict management control systems can inhibit innovation, create more stress for managers, and limit their willingness to take the necessary amount of risks. As a result, recent empirical studies suggest that management control should include the combination of financial accountability and behavioral flexibility that helps managers stay motivated (Endenich and Trapp, 2020; Pedroso and Gomes, 2024).).

An additional relevant observation that follows from the reviewed literature relates to the increasing use of both financial and non-financial information by management. Such practices like ESG reporting, customer satisfaction metrics, innovation metrics, and sustainability reporting became an integral part of management accounting systems. Therefore, managers are forced to balance financial performance and organizational goals, which makes behavioral judgment more and more important. Contemporary managers should use not only financial data but also other information types in order to make proper decisions. In general, management accounting information influences managerial behavior through various combinations of incentives, organizational controls, performance measurements, and behavioral aspects. The reviewed literature shows that modern management accounting requires not only accurate accounting information but also organizational mechanisms that allow objective interpretation and sound decision-making (Rahi et al., 2024; Xia et al., 2025).

4.3 Organisational Context and Behavioural Management Accounting

As mentioned above, the literature consistently stresses the point that behavioural management accounting cannot be separated from the organisational context in which decisions are made. Organisational culture, leaders' behaviour, communication practices, governance systems, and ethics all have a huge impact on the interpretation and use of accounting information. Hence, managerial decision-making depends not only on the individuals' characteristics but also on the organisational context within which managers behave (Wibbeke and Lachmann, 2020; Hanlon et al., 2022; Wood et al., 2024).

In recent behavioural accounting studies, the issue of organisational culture has received special attention. Organisational cultures that are based on such elements as openness, cooperation, and knowledge-sharing encourage managers to communicate freely and evaluate accounting information critically before making a decision. The likelihood that cognitive biases will affect decision-making is low because in such contexts the alternative views and constructive critique of managers are welcome. On the contrary, organisations that have a strong hierarchy may prevent free communication and force managers to rely on their own opinions or to provide accounting information that corresponds to the expectations of the senior management. The differences in organisational cultures have a significant impact on the effectiveness of management accounting system irrespective of its technical level (Tierney, 2023; Wibbeke and Lachmann, 2020).

Leadership is another important behavioural factor. Leaders set organisational priorities, create ethical norms and determine the role of management accounting information for the organisation. According to recent researches, managers tend to participate more actively in the discussion and learn in organisations that have transformational style of leadership. In contrast, authoritarian style of leadership limits managers' initiative and may lead to increased conformity among managers. As a result, managers are unwilling to raise questions or challenge any misrepresentations of accounting information. This means that leadership behaviour affects both organisational performance and the effectiveness of management accounting system. Finally, reward and governance systems have an important effect on managers' decisions and the effectiveness of the management accounting system. If a reward system stresses financial performance in the short term, this may result in the development of unethical behaviour like earnings management, excessive costs reduction, and other manipulations with accounting information. Balanced performance evaluation systems that take into consideration the long-term organisational aims, innovation, sustainability, and ethical norms seem to be more effective in encouraging responsible decisions (Sinnaiah et al., 2023; Tierney, 2023; Hanlon et al., 2022).

Communication is yet another organizational factor affecting the development of behavioral management accounting. The effective exchange of accounting information through communication allows managers to interpret data, share different views and reduce uncertainty involved in making strategic decisions. Poor communication, conversely, will increase the risk of misinterpretation of accounting reports and further entrench the already biased perceptions and attitudes to management accounting information. Contemporary organizations promote cross-departmental cooperation between specialists in finances, operations managers and company leaders to better interpret management accounting information (Pedroso and Gomes, 2024; Chang et al., 2023).

Despite the unanimous opinion about the significance of organizational context, one can notice great diversity in behavior influencing factors depending on the industry and national peculiarities of organizations. Behavioral effects found in multinational companies may be different from those found in small organizations due to differences in the structure of organizations, forms of governance and decision-making process. Thus, one can say that organizational context acts as a moderator of the relationship between management accounting information and managerial behavior. Further research into behavioral management accounting should continue to take into consideration the effect of different organizational contexts on managerial behavior (Wood et al., 2024; Pedroso and Gomes, 2024; Hanlon et al., 2022).

4.4 Digital Transformation and Behavioral Decision-Making

Digital transformation has greatly affected the nature of management accounting by increasing the amount, speed and complexity of accounting information. Technologies like artificial intelligence, business analytics, cloud accounting, enterprise resource planning software and machine learning make an organization more capable of decision making but at the same time raise additional behavioral issues. Instead of displacing managerial judgments, these innovations make it more important to study managers' interaction with increasingly complicated accounting systems ((Andreassen, 2020; Mansoor et al., 2022; Arkhipova et al., 2024).

Reviewing the literature one can conclude that advanced analytical technologies help improve forecasts, automate accounting processes and give managers access to timely financial information. As a result, decision-making process is made faster and more responsive. However, recent studies have revealed behavioral risks related to digital accounting environments. Overloading managers with information can affect their ability to separate relevant information from irrelevant. Automation bias may cause the excessive trust of managers to algorithm-based recommendations (Bose et al., 2023; Bankins et al., 2024; Nielsen, 2022).).

Further, another new behavioral trend relates to manager's reliance on artificial intelligence in terms of making decisions. Some managers overestimate the objectivity of automated decisions, whereas others underestimate them because of insufficient understanding of the analytical model. In both cases, the quality of decisions made by managers may suffer from overreliance on the system's outputs or rejection of the useful information provided by automated systems without proper reasons. Therefore, today's management accounting is associated with the necessity to possess behavioral skills along with the technical one. Accordingly, modern studies in management accounting demonstrate that successful digital transformation can be achieved through acquisition of various behavioral skills including critical thinking, professional skepticism, flexibility, and ethics. Digital accounting systems must facilitate decision-making process but not replace managerial judgments, as efficient decisions require human interpretation of accounting information in the organization (Varzaru, 2022; Bankins et al., 2024; Romeo and Conti, 2026).

4.5 Critical Synthesis and Implications

It can be concluded based on the results of this review that behavioral management accounting has become an indispensable part of management accounting discipline. Throughout the studies reviewed in this paper, consistent evidence was found that demonstrates that managerial decisions are affected by interactions between accounting information, cognitive factors, organizational environment, and digital technology. It means that the traditional view according to which the quality of decisions is determined exclusively by the accounting system is contradicted. However, there are several limitations of the current body of literature. First of all, many studies pay attention to individual behavioral factors but ignore their interactions with cognitive biases, organizational culture, leadership, and digital technology. Secondly, inconsistency of findings related to influence of behavioral factors on the quality of decisions is caused by different methodologies and organizational contexts.

A practical consideration is that besides investing in advanced accounting software, companies need to invest in behavioural decision-making activities. These include leadership training programs, awareness of behavioural issues in accounting and finance, balanced performance measures, and organisation culture that promotes critical evaluation. This will make accounting information much more useful. Therefore, improving managerial judgement means taking into account both the accounting information system itself and the way it works.

5. Conclusion

This research provides a critical evaluation of the effect of behavioural management accounting on managerial decision-making based on the secondary review of the current scientific literature. It shows that behavioural management accounting has moved far from its classical application in budgeting and performance evaluation to become an interdisciplinary science that combines accounting, psychology, behavioural economics, organisational studies, and strategic management. Modern companies increasingly understand that their decision-making capacity does not only depend on the availability of the necessary accounting information but also on the behaviour of people who interpret and use it.

The review shows that cognitive biases are some of the most influential behavioural factors affecting managers' judgement. Overconfidence, anchoring, confirmation bias, and loss aversion are biases that commonly influence budgeting, forecasting, investment appraisal and strategic planning decisions. These results support the idea of bounded rationality and behavioural decision making, proving that managers tend to use heuristics when making decisions due to uncertainty and time constraints. However, while heuristics help in decision making in complex situations, they increase the likelihood of judgmental errors. The results of the literature review show that organisational context influences the effectiveness of behavioural management accounting greatly. Leadership style, organisational culture, company's governance and communication system, and performance measurements affect the interpretation and usage of accounting information in organisations. Those organisations whose communication systems are more transparent, where there are balanced performance measurements and effective leadership are able to use management accounting information more efficiently.

In addition to opening up new possibilities, digital transformation poses certain risks for behavioural management accounting. The literature suggests that advanced technologies give managers access to more complex analysis tools and real-time financial data. At the same time, artificial intelligence and business analytics increase the range of potential threats related to human psychology and decision-making. Some of them include information overload, automation bias, and inappropriate usage of algorithmic advice. As a result, technological progress has increased the significance of behavioural competences in management accounting. The current review shows that the literature contains a number of research gaps. First, many studies today cover different theoretical approaches and organizational contexts. Second, there is a lack of empirical studies dedicated to the behavioral implications of the new digital technologies in accounting. Future research should employ interdisciplinary frameworks with the combination of psychological, organizational, and technological dimensions of behavioral management accounting.

It is possible to conclude that the concept of behavioral management accounting is an integral part of successful decision-making processes in organizations. Accounting information of high quality is not enough to make decisions for organizations effectively without having the behavioral competences that will help to interpret this information. Thus, organizational leaders should consider behavioral awareness, ethics, proper incentive systems, and ongoing training of managers as complementary factors to accounting knowledge. Behavioral and technical approaches are necessary for providing effective support to the decision-making process in modern organizations.

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