

# MANAGING THE SOFT SIDE OF MANAGEMENT ACCOUNTING

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Of today's performance measurement models, the Balanced Scorecard and the Intellectual Capital have probably gained the most attention, as they are widely quoted and many firms have, or intend to adopt them. Both models enable the firm to follow-up financial results while simultaneously monitoring progress in building the new competencies that are required for future growth.

This paper addresses the problem that many firms are currently struggling with, namely how to integrate the diverse set of change, or reform programs like the Balanced Scorecard and the Intellectual Capital to achieve operational as well as strategic goals. The question "how firms are going about creating and transforming competitive learning and competence into business success" is raised and discussed. Based on a comparative study of German and Swedish firms (ABB, Volvo, Stora Enso, and Beta), this paper contributes to our understanding of the linkages between learning and competence development, and performance measurement models in general and management accounting in particular, including showing if and where there are cultural differences between the German and the Swedish views which might impact these linkages.

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