

Strategic management accounting and recession influence in pandemic affected companies in Albania

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Abstract

This study focuses on the role that management and strategic management accounting plays in recession, specifically in the economic downturn caused by the pandemic of Covid 19, by analyzing how managers could cope with it and what decisions were made during that time. The paper explores Albanian SMEs' most affected, especially in the health and tourism sectors. Both have an essential role in our country's economy by providing and offering the highest incomes in the state budget. However, they have been affected in different directions. The health industry has had a positive increase in revenues. In contrast, the tourism and transport sector has been negatively impacted by decreasing their payments, causing a recession and total collapse.

The methodology used in this paper is quantitative. Primary data were gathered from a questionnaire distributed to 60 SMEs in Albania, especially in Tirana and Durres City, because they are the biggest cities in our country. The most crucial part being analyzed is the tourism sector. The analysis and conclusions will show what kind of decisions they have taken and how difficult it was to evaluate the situation and find alternative ways to survive in the market. The questionnaire results concluded that most businesses had had a negative impact from the pandemic created and have been unprepared for its consequences. Most companies have chosen to cut costs by cutting jobs and expenses simultaneously. On the other hand, the financial aid they have received from the government has been meager compared to their risks. Most businesses anticipate that it will take a very long time to rectify the consequences of this pandemic.

Keywords: Managerial Accounting, strategic management accounting, recession, cost accounting, Covid-19's pandemic.