

## Factors Affecting Strategic Management Accounting

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### Abstract:

*The goal of this article is to assess the factors that affect the implementation of Strategic management accounting in Vietnamese enterprises. Strategic management accounting is still quite new in Vietnam. Therefore, there are many factors affecting the implementation of Strategic management accounting for Vietnamese enterprises. The results provide evidence of the relationship showing six factors including: company culture, business strategy, hierarchical management organizational structure, staff qualifications, technology, perceptions of the business market. business has a direct impact on SMA performance in which organizational culture has the strongest impact.*

**Keywords:** Strategic management accounting, Vietnam

### 1. Introduction

In the modern business environment, competition is fierce in all production areas, the application of Strategic management accounting (SMA) provides information to support leadership in strategic decision making for sustainable development of the business. In Vietnam, SMA has been interested by many researchers recently. However, the topics mainly focus on the theory, concept and content of the SMA. Therefore, it is urgent to have an empirical study on factors influencing the implementation of SMA in order to enhance the ability to successfully apply SMA in the integration period. At the same time, the thesis also provides proof of whether the implementation of SMA actually increases the success of manufacturing enterprises (ME) in Vietnam.

Competitive pressure of manufacturing enterprises (ME) on domestic and international markets is constantly increasing, making product life cycle shorter and shorter, and buyers' demand for goods quality is increasingly high. The main reason leading to this competitive pressure is economic integration along with the explosion of science and technology 4.0. During this period, the organization's priority for sustainable development and performance improvement. Therefore, ME Vietnam needs to strengthen control tools, including Strategic management accounting (SMA) - an effective tool for management. ME Vietnam implementing the SMA techniques will quickly provide senior management with information about internal resources and external orientation for strategic management (SM). In the highly integrated and highly competitive market, SMA is considered by many scholars to be the intersection between accounting and SM. The definition of SMA was first introduced by Simmonds (1981) in a specialized journal, up to now more than thirty years, many scholars have continued to develop the definition of SMA such as Bromwich (1990); Langfield-Smith (2008); Ma et al (2009). However, up to this point there is no universal and unified definition of SMA. This is because each scholar is based on his different personal opinion when making the definition of SMA. But these definitions are recognized to have three similarities, namely (1) towards the external environment of the entity, (2) when making a decision to use all financial and non-financial information and (3) long-term orientation (Agasisti et al., 2008).

In the context of Vietnam's integration into the world economy, starting with the signing of the WTO in 2007. By December 2015, Vietnam has joined the ASEAN economic community. Most recently at the APEC 2017 conference in Da Nang, 11 member countries have reached the CPTPP agreement, according to experts, when the CPTPP agreement is implemented, opportunities and challenges are always parallel to all ME. Moreover, in June 2019, the European Parliament has ratified the Vietnam - EU Trade Agreement (EVFTA), the EVFTA Agreement will create opportunities for Vietnam to promote exports and expand markets. However, the competitive pressure between domestic and foreign ME is increasing in all areas, in which the

manufacturing sector is considered to be the most influential. According to the integration roadmap, Vietnam must gradually remove tariff barriers, making import and export more and more convenient. On the other hand, the ceaseless development of technology all over the world has comprehensively changed production in all fields. Therefore, the market share will become much more fierce. MEs need to shape their branding strategy, providing products that meet increasingly diverse tastes at reasonable prices for buyers (Langfield - Smith, 2008). The goal is always set for ME today to improve and enhance competitiveness in both domestic and international markets. Leaders in ME really need information related to SM, such as human resource planning, production costs, technology investment, perfecting management tools, as well as building a budget for the implementation of the war. comb. In it, these strategic data are provided by the SMA. The fact has proven the success to create outstanding competitiveness of Japanese MEs when applying typical SMA techniques such as Target Cost technique, Kaizen.

## **2. Literature review**

### **2.1 Research on SMA techniques.**

According to Ojua (2016), describing SMA is an information system used to assist senior leaders in making strategic decisions when market share becomes more competitive. That is also the cause of the proliferation of topics about SMA techniques as well as the implementation of SMA. When it comes to the composition of the SMA technique, there are many different lists of strategic SMA which are proposed based on different perspectives of scholars. Some scholars have described SMA techniques as involving a clear focus on strategy, with an emphasis on information outside the organization, and looking to the future (Ma et al., 2009). In addition, a number of other topics describing SMA techniques are the interference between MA technique and SM work. (Nixon et al., 2012). Therefore, despite many studies on SMA, there is still no common concept about SMA technique (Juras, 2014).

The first considered set of SMA technical listings by Guilding et al. (2000). The authors used the criteria to evaluate which technical MA is considered to be SMA. The reason is that the majority of traditional MA techniques are usually related primarily to the "strategy" rather than the "strategic" level in the unit. Information provided from the traditional MA system is often from the point of view that time is the financial year in the short term, so the traditional MA is not of a long term and looks to the future for organizational activities. On the other hand, the traditional MA does not have coordination with marketing activities or put in mind providing information for competitive market research. Therefore, the traits outlined above of the traditional MA are not consistent with the strategic-driven view that MA has to meet the new needs of senior management. Therefore, the criteria set by Guilding et al. (2000) for SMA are as follows: Information provided by SMA must be long-term business activities of the unit in the future, and SMA must focus on exploiting objects outside the organization. Furthermore, Guilding et al (2000) also emphasized that only when MA techniques meet these criteria can an effective SMA technique suitable for the organization's SM work. Based on an SMA technical criterion that includes long-term, future-focused information and the miner outside the unit, Guilding et al (2000) gathered twelve lists in the technical set. SMA technique, this is considered to be the first standard set of SMA techniques in the SMA study.

The second set of SMA technical listings was proposed by the authors of Cravens et al (2001). This list is inherited from the Guilding et al (2000) roster and adds activity-based loss (ABC) techniques; Benchmarking; and integrating score balance tag (BSC) measurement and removal of brand evaluation technique from the original list set of techniques.

The next list of 14 further SMA techniques is proposed by Cinquini et al (2007). This technique, compared with Cravens et al. (2001), adds a technique called Customer Profitability Analysis (Customer Profitability Analysis). The list of SMA techniques developed by Cadez et al. (2008) includes sixteen SMA techniques, this list of additional two new SMA techniques compared to the technical set of scholar Cinquini et al. ( 2007). The list of Cadez et al (2008) is evaluated by many scholars to be relatively complete with SMA techniques and used as background in many topics such as: Al-Mawali (2015); Ojua (2016),... The thesis of Shah et al. (2011) in the theoretical overview of the SMA has listed the number of fewer SMA techniques

including 8 techniques. Authors Alsoboa et al. (2015) identified a synthesis of 19 SMA techniques from previous studies.

Another viewpoint, when examining the standardization of SMA techniques, is a tool used for organizational control, planning and decision-making (Brouthers and Roozen, 1999). On this basis, Fowzia (2011) states that a number of scholars pay increasing attention to topics related to the application of SMA and to explore the factors influencing the implementation of SMA. (Cadez et al (2008); Cinquini et al. (2010), ..). The author's topic Ojra (2014) supplemented 5 SMA techniques compared to Cadez et al. (2008). Based on the summary of author Juas (2014) and the synthesis of many SMA researchers including Guilding et al. (2000), Cravens and Guilding (2001), Cinquini and Tenucci (2007), Cadez and Guilding (2008), Shah (2011), Fowzia (2011) and Ojra (2014). The author synthesizes appendix table No. 13 on a list of SMA techniques commonly used by many authors in the study.

Some scholars have grouped SMA techniques, in general, these classification criteria are based on the characteristics of SMA objects with an emphasis on information exploitation, there are two typical classification methods: Cinquini and Associates (2007) divided SMA techniques into four technical-oriented groups: (1) Competitors, (2) Long-term, (3) Processes / Activities and (4) Buyers. The second grouping method used by many topics (such as Ojra, 2014; Al-Mawali, 2015; Michael et al., 2017) is by Cravens et al. (2008), consisting of five main groups: (1) Costing, (2) planning, control and performance measurement (Planning, Control and Performance Measurement), (3) Strategic Decision Making, (4) Competitor Accounting ( Competitor Accounting), and (5) Customer Accounting (Appendix 13 is categorized in this way). From Appendix 13 it can be seen that there is quite a similarity between the SMA groups. SMA is classified into different groups showing that the SMA is considered a multidimensional structure, not just a collection of many SMA techniques (Cuganesan et al., 2012).

The benefits of applying SMA have been mentioned by many authors when compared to the traditional MA. Some topics do survey on technical content SMA that is done the most and the level of implementation in each country is different as Guilding et al. (2000) conduct current survey about content. implemented twelve SMA techniques namely: 124 units in New Zealand; three advanced countries 127 units in the US and 63 units in the UK. The results of the thesis show that the implementation of SMA in all three countries is quite popular. In which the two techniques are performed with the most degree of technical price strategy and technical group of buyer accounting. The role of the SMA in decision-making has been considered useful by respondents in all three countries, and the level of implementation is relatively similar in all three countries. But when assessing the impact of scale on the implementation of SMA, there are differences between countries, with New Zealand being the most dominated, and less impact in the UK and the US.

With the aim of investigating the extent to which the sixteen SMA techniques are performed in an organization in the advanced country of Slovenia, the country has had a lot of success in moving to a market economy. Cadez et al. (2007) surveyed 193 large units in Slovenia. However, the report on the results of the topic shows that SMA content has not been applied much in Slovenia. The subject also found that the competitor engineering group was used the most and rated buyers as the least used asset in the review of these sixteen techniques.

An article on the implementation of SMA survey at 70 ME in Banladesh, a developing economy country was prepared by Fowzia (2011). The results report shows that the content execution level of SMA techniques is average or below. In 2012, author Ramljak et al. Conducted research on the level of SMA implementation in Croatia, the results of the topic showed that in Croatia the implementation of SMA techniques is increasing in ME, Survey data showed that 66% ME applied at least one content SMA. Two SMA techniques are used a lot in ME are ABC technique with 40% and cost-quality techniques accounting for 39% of ME applied. In Malaysia, the research group Yap, Lee and Associates (2013) conducted a survey of 118 unlisted units on the content of MA technical implementation. The report of the topic results shows that 55.1% of organizations in the survey have implemented 11 out of 40 contents of MA. SMA implementation rate is still small, most units still implement traditional MA techniques such as budget estimation, variance assessment, break-even analysis. However, the results report also shows that SMA techniques have begun to be implemented such as

Benchmarking, BSC, ABC. Research Aksoylu et al (2013) conducted a survey of 202 MA employees in a medium and large unit in Turkey, this topic with the aim of exploring the impact of SMA implementation on the efficiency of the unit. Many units in the survey have a higher than average rate of using SMA with the rate of 16 out of 17 surveyed SMA content, of which the level of compliance with 12 technical SMA content is over 50%. SMA-oriented engineering groups are used by units in Turkey as cost, buyer and competition. The research report also concluded that performing SMA survey increased organizational efficiency in this survey.

Another topic investigating the level of SMA implementation in Jordan by Alsoboa et al (2015). Research with the aim of investigating the extent of SMA performance and the effect of managers' characteristics when performing SMA. At the same time, the thesis also aims to investigate the role of the SMA implementation in Jordan organizations in the future. For this purpose the author surveyed 37 private industry organizations. Reporting Topic results twelve out of nineteen SMA assets are implemented including techniques such as: cost quality; value chain costs; MA environment; Price strategy; ABC; Benchmarking, Competitor Positions Monitoring, Buyer Lifecycle Return Reviews and Buyer Reviews as Assets. The survey results report also did not find any factors of the leadership characteristics impacting on the implementation of the SMA. Among the SMA techniques used in the Jordan organization, BSC technique is performed the most and is highly appreciated by the units in application of benefits. Many organizations evaluate the techniques that SMA is using is useful for their units and will continue to apply in the future. To increase efficiency in the organization as well as when comparing losses and benefits in terms of SMA. The topic continues to suggest organizations in Jordan should consider and research the implementation of the entire SMA technique.

Based on the analysis of the SMA performance studies, it shows that the new requirement for the implementation of the SMA is that more detailed studies are needed on the performance level and how these techniques are used. practices, as well as how to bring SMA techniques to business and to change the MA work in the implementation of this SMA (Langfield-Smith, 2008).

## ***2.2 Studies support the application of SMA***

In today's competitive environment, the life cycle of goods is shortened. The objective reason from the market gives buyers more and more choices of goods, which means that MEs have to work harder to develop new products, reduce losses, and recover investment capital. and profit before there is a drop in products. According to the results of Cadez et al. (2008), it shows that strategy is the driving force that will make ME more competitive through effective decision making. MA's biggest challenge is that traditional tools like standard loss, budgeting and profit and loss analysis are no longer suitable for manufacturing businesses today. The inadequacy of the traditional MA was met with public criticism in academic and professional literature in the 1980s and 1990s. One of the most important weaknesses of MA was given by Kaplan (1984, p. 414). is “Management accounting cannot exist as a separate technique, developing measuring system processes and applying it to all businesses, regardless of fundamental values, purpose and strategy. Specifically. Management accounting must serve strategic objectives”. According to research Jonson and Kaplan (1987) have criticized that MA systems have lost their relevance because they are not suitable for modern environments, nor are they useful in calculating the cost of goods, controls and evaluate the effectiveness. Jonson and Kaplan (1987), the authors briefly summarize the inadequacy of MA in dealing with the information needs created by MA in modern management as “Too outdated, too general, too distorted. to match the managers”. Or as Ford stated (1987) “Most big companies realize that their cost accounting system is no longer suitable for today's competitive business environment, costing techniques completely outdated and did not meet the expectations of managers”

Inadequacies and dissatisfaction with traditional MAs are also explored in other topics such as Cooper (1996), which shows that MAs use less strategic management in their work. Using the development concept Åhlström and Karlsson (1996) also argue that MA is not modern to take advantage of innovative techniques in the field of management. Roslender and Hart (2006) expressed great concern about brand strategy management that was underestimated by the method of MA. Traditional MA critics often complain that MA focuses too much on internal operations and MA mainly supplies management's internal needs. Chapman (2005) argues that



if the business vision only places special attention to the internal work, then the external opportunities will be lost and the potential threats in the business are ignored. . According to Hwang (2005), organizations face sudden market changes, as the market becomes more dynamic, challenging and complex, the traditional MA method becomes obsolete.

The shortcomings of the traditional MA are identified through studies synthesized with the following three limitations, one is (Baines and Langfiela - Smith, 2003) MA information is obtained from existing financial accounting. Therefore, MA focuses on the annual financial report period and the internal system is mainly, so it does not meet accurate and comprehensive information reflecting technical processes, goods as well as complex operation of the regulations. operations, on the other hand, do not integrate operating in a highly competitive market. Second, (Shah et al. 2011) the traditional MA's synthetic form makes it less useful for leaders who want information tailored to specific management needs. Third, (Shah et al. 2011) support for financial accountants to beautify financial statements provided to outside parties, making MA less reliable in its decision-making use.

Business market changes due to cooperation between countries, along with achievements in the field of information technology. It is this reason that has led to a great movement in the management and organization of the company. These changes have indirectly affected MA, especially information function. In fact, there is a need to improve the MA to overcome the shortcomings of the traditional MA. As a result, SMA has received widespread support as an approach to bring a more strategic role to management accounting. According to Simmonds (1981), applying SMA is one of the new MA techniques to meet the new challenges that ME must face in business. Compared to the previous period, the current operating environment of ME is very dynamic and highly competitive. Competitors are always trying to get ahead with new goods and services, with better quality and more efficient after-sales support. According to Bromwich (1990), SMA is a technique to analyze competitive advantage, or value added by competitors, and consider the benefits that goods throughout the product life cycle. Bromwich asserted that this gives the organization an effective lasting decision. It implies that the SMA requires the accountant to acquire new skills beyond the usual range of expertise and to incorporate into areas such as administration, marketing, and category expansion. In 1989, research by Bromwich and Bhimani suggested that traditional MA technique focuses on internal orientation and is highly quantitative, so it is not possible to create the basis for decision-making leadership and increase competitive advantage of organization. In contrast, SMA creates significant value by providing additional information required for the success of organizations (Guilding, Cavens and Tayes 2000). A study in favor of the SMA by Shank and Govindarajan (1993) reported that the traditional MA has a focus on within the company, the MA's value-added stance begins with paying suppliers, and end up with charges to the customer. The main theme in this approach is to voice the non-alignment between buying input costs and selling output. Therefore, there is a lack of opportunities to exploit linkages with the organization's partners. In today's competitive environment, this approach is too narrow. Therefore, the SMA takes a view regarding the value chain to expand the scope of information. Unlike the traditional MA, the SMA uses an outward-looking approach designed to help an organization gain a sustainable competitive advantage. Besides, SMA can improve organizational resilience and performance. This was demonstrated when Kaplan et al. (1996) introduced ABC and ABM-based systems. According to the thesis Shah et al (2011), said that SMA was introduced by the accounting scholar as a new technique. It is stated that the development of the SMA field will make the old MA disappear, the SMA is the newer version, focusing not only on internal financial information but also on the external aspect of nest operations. function. Using SMA techniques to bring benefits in a highly competitive environment has been discovered by a number of scholars. As the topic of Chenhall (2003) states that the use of information by the SMA allows the organization to monitor the implementation of the strategy as expected in the market, the most important thing is that the product strategy has can compete with the competitor and get the buyer's acceptance of the product. This will lead to better decisions and contribute to the company's performance. Moreover, the use of SMA information also brings many advantages to the unit, thus affecting both financial and non-financial activities of the company.

Some other experimental topics have also shown many benefits when applying SMA, such as in 2007, the authors Yek, Penney and Seow conducted a case study of the Institute of Technical Training (ITE) using BSC, such as quality management system to enhance the quality and results of vocational education and training. In this situation, author Yek, the principal of the Western Singapore ITE College, used his personal knowledge on the subject, the report showed a significant improvement in vocational education quality and outcomes, formerly The reason for this success was analyzed by the author as the BSC was applied as part of the existing well-structured planning framework; BSC instructs and engages all employees of the organization to develop a balanced score card, strategy goal and metrics that promote teamwork, as well as create linkages in the organization. In Research AlMaryani and Sadik (2012) surveying 20 individuals from four Romanian companies in Bucharest, the report found that the SMA played a major role in achieving strategic goals. and modern management. Furthermore, the implementation of the SMA technique has given companies in Romania many benefits and features that help the management make better decisions. Also in 2012. Branka Ramljak and Andrijana Rogošić studied the use of SMA in Croatia, with the aim of providing an insight into the use of SMA, and the author's implications for the relationship and calculation. In the timeliness of SMA information for leadership in management, the author conducted an experimental investigation in 65 major units. The topic report shows a big change in the market in recent years, due to the economic crisis, companies in Croatia set a target to reduce and manage losses, by implementing one or more SMA techniques. At the same time, the implementation of SMA has a positive effect on relevant and timely management information for company leaders. An important finding of this topic is that the positive effects of each different SMA, using a combination of two or more SMA techniques have a positive effect on loss management improvement and loss reduction. This is explained by the fact that each SMA provides only a certain range of information. When a combination of techniques is used to expand the scope of decision-making information, the higher the probability of rational decision-making in terms of loss control. Therefore, in order to gain market share and profitability, organizations need to complement and incorporate SMA techniques together. SMA techniques strongly aid in decision making and provide guidance in dealing with changing future situations.

Another study also studied the benefits of implementing SMA techniques by Noordin et al. (2015), the author investigating 97 ME electrical and electrical equipment in Malaysia showed that the organizations in this study used SMA information is at a high level. These companies have implemented SMA to evaluate information about competitor's strategy and analyze buyers for strategic planning in competitive markets. The survey found that each element of the SMA information was found to be significantly related to several aspects of a company's performance, such as production performance and marketing performance relative to an organization's performance relative to organizational performance. in terms of market share, production and business profits (production and business), revenue growth, sales volume, and labor productivity. At the same time, customer credentials have helped the company increase buyer satisfaction when it comes to serving in a way that is more exceptional than that of its competitors. When using the Electrical company's two SMA techniques, the significant impacts associated with non-financial performance include the ME's achievement when comparing major competitors in terms of development, continuous improvement of goods, and loss and improve the quality of the goods. This information also has a positive impact on financial performance, because the SMA information provides price, loss structure and financial position of the competitor. Therefore, organizations can use that information to formulate a competitive price strategy or also to plan production and business. This contributes to increased efficiency in the profit management of the organization. A recent report by Oboh et al (2017) investigating the practicality of implementing SMA in banking in Nigeria, Oboh et al. Investigated 71 senior leaders on 20 banks, reporting the subject for found that banks in Nigeria were using the SMA, and this contributed significantly to effective strategic decision-making, increasing the market share and capacity of the banks surveyed.

From the limitations of the traditional MA when it comes to providing information for decision-making leaders (Shah et al 2011). The information needs of the leadership and the benefits that the SMA implementation brings to the organization, the use of the methods and techniques of the SMA has become an essential issue, and be advocated for all organizations for the purpose of surviving and thriving in complex and volatile markets

(Langfield Smith, 2008). According to documents and empirical studies on SMA techniques, the core focus is on strategic positioning to gain competitive advantage, completely unlike most traditional MA techniques, in which more emphasis on cost reduction, control and performance evaluation.

### **2.3 Barrier studies to perform SMA**

The SMA gives organizations many benefits and increases competitiveness in open economies, as demonstrated in a number of topics, and many researchers also support widespread application in enterprises. However, according to Langfield Smith (2008), when analyzing experimental studies, it was found that more than 25 years since the SMA was first introduced by Simmond in 1981, SMA has been of interest to many researchers. Continuing to study this topic in studies such as Bromwich (1990), Bromwich and Bhimani (1994). SMA started out with an expectation of widespread and rapid growth, but studies of SMA technical implementation reflect a slow development and not as widely adopted as originally intended. According to a survey by Bromwich and Bhimani (1994) which took place in the late 1980s and to 1994 in the UK and North America shows that there has been a low prevalence of SMA. In 1996, a particular problem with the MA study for SMA, Tomkins and Carr stated that there was still no clear evidence of the widespread use of SMA and that most of the research on SMA was at the conceptual level. . They said that at that time there were no more than 20 important research papers in mainstream scientific journals. Gosselin (2007) provides an overview of 1,477 articles on ABC techniques, including 25 surveys published between 1990 and 2005. The author points out the survey evidence highlighting the "ABC Paradox". The paradox is that when ABC is considered by many accountants and managers to be very attractive, popular and accepted as a valuable technique. However the study is at most business schools, and the evidence of the surveys in the study indicates low levels of performance globally. Also according to Langfield Smith (2008), even applying SMA technique has brought many outstanding competitive advantages for Japanese companies such as target cost, value chain analysis. But there is little evidence of the widespread implementation of SMA techniques in Japanese organizations, including Japanese subsidiaries in the West.

Through the results synthesized from the above studies, it is found that although SMA plays a role and benefits in enterprises, it has developed very slowly and has not been applied widely in enterprises (Cadez and Gulding, 2008). . Barriers to the development of SMA according to research by Sulaiman et al. (2004), there are many unit barriers encountered when applying SMA. The first barrier that can be mentioned is the MA employee's opposition to change. According to the study of Bromwich and Bhimanni (1994) that the developmental delay of SMA may be due to a resistance to change that may arise from the adverse effect of switching to ABC, this can cause for employees to see a disadvantage in their performance when they have to respond to new lossy information. According to research by Sulaiman et al. (2004) The most common challenge faced by the organization is that both middle and lower management tend to be against the implementation of MA technique. . The reason comes from the fear that they do not understand the technique, and that their skills and expertise will lose value when new techniques are applied. Anything capable of devaluing will be countered, according to the general sentiment that everyone wants to be valuable in the company. Therefore, when they are in a fear of not catching up with change, they may disagree when implementing SMA techniques. This barrier is also found in Shank's (2007) study due to the fear of staff having no knowledge of SMA techniques. Therefore, it is not possible to implement these new techniques when applied.

When implementing MA application projects in four countries including Singapore, India, China, Malaysia. Sulaiman et al (2004) conclude that the second barrier hindering the development of new accounting techniques is the lack of expertise, awareness and management support, which makes the company immutable. accounting work. Ansari et al (2007) argued that many administrators underestimate the potential of SMA techniques and this is a barrier to low adoption. According to Langfield- Smith (2008) Difficulties that hinder the effective application of SMA in an organization are related to leadership issues such as governance policy and full understanding of SMA techniques. Research Almaryani et al. (2012), leadership unwillingness to change the systems currently in use, because the traditional MA system is considered complete and does not need to be changed. Yap et al (2013) also discovered this barrier when surveying for Malaysian organizations, the leading reason why the respondents still mainly practice traditional MA is that they do not understand the

technical implementation. The SMA requires the implementation of these techniques, lacks management support in terms of budget, time and manpower to adopt change in SMA techniques. They realize that this is not their job, and when applying very complex SMA techniques, it takes special skills to perform. However, respondents in this survey disagree that their failure to understand SMA is the main reason for not adopting these techniques. According to Aken and Okeye (2012), accountants working in small organizations have almost no understanding of the application of SMA. On the other hand, according to Fagbemi et al. (2012), in educational institutions, SMA techniques have not been taught, but traditional MA is still taught, thus making it difficult to approach SMA techniques. with accountants. The collaborative group Reza Ghasemi et al (2015) said that the cognitive barrier of traditional MA is more beneficial and that the modern MA method is suitable, making the application of SMA difficult. According to the Ojua survey (2016) at ME in Nigerian, the implementation of SMA is very low due to the staff having very limited understanding of SMA. As for the administrator, the role of SMA tools is not appreciated. These MEs still mainly implement the traditional MA tool, and senior management has not seen any other benefits in adopting an alternative SMA. Leadership change in fear of implementing the new SMA is also a barrier found in this study.

The third hurdle belongs to the challenge of large investment losses when implementing SMA techniques such as target cost, BSC and ABC also mentioned by Sulaiman et al (2004) in this study. The reason is that accountants may lack expertise and understanding of this new technique. Therefore, the organization needs to hire or recruit experts to train and advise existing employees, helping to organize SMA more smoothly and quickly. Therefore, the implementation of new techniques increases the organization's losses. Research Almaryani et al. (2012) higher losses using SMA techniques are the leading cause of research hindering performance. Also according to Fagbemi et al. (2013), the poor investment budget for establishing a coordinated accounting system with internal control mechanisms when implementing SMA is a major challenge when implementing SMA. The challenge of investment budgets when implementing SMA is also a barrier found in Ojua's (2016) survey.

Whether the successful application of SMA in the enterprises or not according to research Akenbor and Okoye (2012) depends on the characteristics of the organization. Because of these techniques, there are no established process standards for implementation. Therefore, it is difficult for organizations to apply in practice. Cost management activities are specialized functions, without any pre-established standards or procedures. Therefore, making the application of SMA very difficult to perform. The results of this barrier are also verified in the study Almarynai et al. (2012), Ahmad (2012).

The final barrier is government policies According to Chenhall and Langfeld-Smith (1998), these government regulations can act as incentives or barriers to the implementation of MA work. A highly planned or protected economy can make companies less motivated to approach new approaches. Therefore, the government should adopt policies to reduce protectionist programs when the economy is highly competitive, the MEs will quickly access the SMA techniques.

#### ***2.4 Studies of factors affecting SMA***

Most studies on factors affecting SMA are used by the authors using quantitative PPNC or qualitative PPNC to identify and measure the impact of factors on SMA.

According to some researchers, SMA plays an important role in relation to the information of a firm's main competitive advantage (Moon and Bates, 1993). Dixon and Smith (1993) point out that in a dynamic, competitive environment, strategic information is the most important for strategy formulation and analysis. Recently, in the academic world, there are a number of in-depth topics investigating the factors affecting the implementation of SMA such as the study of Guilding, C. (1999); Cadez and Mc Manus (2002); Hoque, (2004); Hwang (2005); Cadez and Guilding (2008); Tuan Mat (2010); Fowzia; Al-Mawali et al (2012); Ojra (2014); Al-Mawali (2015),... provides evidence and builds a theoretical framework on the relationships affecting the implementation of SMA and the studies supporting the implementation of SMA.

Most topics apply random framework to explain SMA implementation. When considering the results of factors affecting the implementation of SMA in the previous topics, the topic draws six factors including:



perception of uncertainty in the business environment (in short, market awareness), Organizational strategy (strategy in short), organizational management hierarchy (hierarchy in short), company culture (culture in short), MA staff qualification ( Short writing is level), organization technology (short writing is technology).

### ***2.5 Market perception studies influence SMA performance***

Achrol et al. (1988) Volatility perceptions are leadership changes in market perception when making decisions. Some topics have found the influence of this factor on the implementation of MA in organizations. Therefore, when the leader has a high market awareness, the organization often increases the demand for information not only the internal financial situation, but also exploits external information such as about competitors, suppliers with the purpose forms the basis for decision-making leadership (Gordon et al 1984). Chenhall et al (1986) confirmed that this factor greatly affects the information needs, at the same time the positive influence of this factor on the implementation of SMA also found empirical evidence in this topic. When an organization working in a market with many fluctuations, the higher the awareness of the leader about the market, the higher the need of the leader is not only the information on the report, but also the requirements for Timely and completeness of information with the rapidly changing business environment. On the other hand, a new need for MA is to mine data from external perspectives with a long-term and future orientation, so this has created favorable conditions for SMA to be used in the organization. . A case study in the fashion industry in Korea by Hwang (2005), surveyed 400 retailers, this is an industry with a lot of fluctuations due to lack of loyalty and easy switching to other products. of competitors. The results report showed that this factor has a positive influence with the implementation of SMA at the survey organization. Because, leaders have a need to exploit information provided by SMA and be proactive in dealing with fluctuations of the business market. Ahmad (2012) also found the positive effect of this factor on MA when investigating 160 units in Malaysia. Al-Mawali (2015) emphasizes the role of perception in the SMA performance in the survey of 98 Jordanian units. The report shows that when an organization operates with a high market awareness, the need for an SMA is higher for a unit with low market awareness. The results of this topic also continue to support the positive influence of this factor on the implementation of the SMA. A similar research report was demonstrated in Malaysia by Noordin et al (2015), which demonstrated that organizations actually used more information provided by SMA, when working in marketing. highly competitive part. But the report in the topic Guildling and McManus (2001) conducted in Australia said that this factor has little effect on the implementation of SMA. Hoque (2004) had similar results when not detecting the effect of this factor on SMA. In Palestine, Ojra (2014) also showed similar results when testing there was no evidence of the effect of market perception on SMA.

### ***2.6 Studies of strategic factors affecting the implementation of SMA***

Business strategy is the formulation of ME's long-term operational goals in the future and the planning of how to accomplish the organizational goals (Ojra, 2014). Guilding (1999) conducted a study of 112 large-scale companies in New Zealand, reporting the results confirming that the strategy positively affects the implementation and efficiency of the SMA. The Topic Report concludes that competitor accounting techniques are influenced more strongly than originally expected, which means that New Zealand organizations appreciate the role of SMA when setting strategy. Another research report was done by Hoque when surveying 52 ME in New Zealand in 2004. The thesis also found a positive effect of this factor on SMA in performance assessment, On the other hand, this factor plays a key role in performing and evaluating SMA implementation. Hwang's (2005) research report also supports a positive positive influence between SMA strategy and implementation. A similar study result in 193 large units in Slovenian. Thesis report shows that the implementation of SMA has a positive influence with the building strategy. The relationship between the SMA strategy and implementation has been surveyed by many topics in many countries and the results are in line with the expectation of the role of the strategy to affect the implementation of SMA in the same way as the author's reports such as : Italian survey by Cinquini et al (2010); Tuan Mat (2010) investigation in Malaysia; Survey in Fowzia's Bangladeshdesh

(2011); Investigation in Turkey by Aksoylu and Aykan (2013); or investigated in Palestine by Ojra (2014); Investigation in Jordan by Alsoboa (2015) in Jordan; And in the United States of Michael et al (2017).

### ***2.7 Studies of organizational structure affecting implementation of SMA***

Organizational structure is the model and relationship between functional departments (Macy et al., 1995). Or, according to Daft (1989), structure is the organizational linkages of reporting, levels of governance, senior management's control over time and personnel, and how information is communicated between departments. . Tuan Mat (2010) thinks that structure is the factor playing an important role in research based on random theory of SMA. The author Gerdin (2005) thinks that MA is a factor of the organizational structure of the unit to be compatible with its activities. The Chenhall Report (2008, p. 525) notes the association between SMA and the structure that “SMA has characteristics related to the horizontal aspects of business because firm structure connects strategy with chain. value of the business ”. Results report Hwang (2005) shows that this factor has a positive impact on the implementation of SMA. Or the report of Waweru (2008) also discovers this relationship when doing the 31 ME Canada survey, the author affirms that a highly decentralized structure can make changes in the MA system for consistent with market fluctuations. The project of Tuan Mat (2010) also supports the results of the positive influence of decentralization, when proven through a survey of 212 Malaysian organizations, that structural changes affecting MA make MA change. follow. Reporting the results is similar in the topic of Dik (2011), and author Abdul et al (2011). However, the report of the Ojra project (2014) did not see the impact of OSTR on the implementation of the SMA.

### ***2.8 Researches on technological factors affecting implementation of SMA***

Technology is an internal factor of the organization, moreover, technology plays an important role in the change of MA (Tuan Mat, 2010). Several topics have found the driving relationship that drives the technology's SMA implementation. In 1980, Otley concluded in a report that the performance of MA work in an organization depends on the production technology of that organization. The reason for this dependence according to Haldma et al. (2002) is that new technology will lead to the change in loss structure. In the case the production technology becomes more modern, it makes the MA system more complex to respond to the production process. Modern production technologies have been associated with the globalization competition, which has been the driving force to increase the need for more effective loss management. This can be done by employing a suitable MA system. As reported by Tuan Mat (2010) found a technological impact on MA's change, and when strategy and structure match with technology it will increase organizational competitiveness. Choe's research report (2004) also found a positive effect of this factor with MA when investigating Korean institutions. The results of the Ojra project (2014) continue to reinforce the evidence of the same directional influence on the implementation of the SMA.

### ***2.9 Study other factors that influence the performance of SMA***

The last two factors that the topic synthesized in the previous study include: Organizational culture and MA level were discovered in a few previous topics that have impact on the implementation of MA. However, up to the time of implementing this topic, the author has not found many foreign studies investigating this relationship. Detail:

- Culture includes the standards of behavior and ethical values, human behavior in the organization. The positive effect of this factor on MA was proven in Erserim (2012) survey of 84 ME in Turkey.
- The factors of MA level positively affecting the organization of MA were discovered in a number of topics by Halma and Laats (2002); Al-Omiri (2003); McChlery et al (2004); Ismail and King (2007) and Ahmad (2012).

Some foreign topics have found factors affecting the implementation of SMA such as market awareness, strategy, management decentralization, culture, education, and technology. However, the effect of the SMA on the results has not had many subjects to prove this relationship. Moreover, there are not many in-depth topics examining comprehensively the factors affecting SMA in developed country conditions like Vietnam. On the

other hand, the survey results in the previous topics have many differences. As reported results in the topic do not match up with the initial set up in theory and differ from the results of investigation in the subject of other scholars when surveyed in different countries.

### 3. Research methods

The study uses both qualitative and quantitative research methods (RM):

- Qualitative RM: aims to determine the technical content of SMA as well as identify factors affecting the implementation of SMA in ME through reference to previous topics and discussing with experts. Qualitative RM results show factors affecting the implementation of SMA, impacting SMA on efficiency in ME and as a basis for quantitative RM.

- Quantitative RM: Designed to measure the impact of the factors on the implementation of the ME's SMA, using a preliminary quantitative RM and a formal quantitative RM including the following steps: compiling questionnaires and surveys pilot; Sampling method; Determine the sample size; Submit survey form and receive answer results; Data cleaning and data processing; assess the reliability and verify the quality of the scale; Measuring the impact of factors on the implementation of SMA, implementing the SMA impact on the performance through the SEM model; In quantitative RM, the author uses SPSS 22 and AMOS 22 supporting software to measure and test hypotheses.

#### \* Analysis of the reliability of cronbach' Alpha

According to Nguyen Dinh Tho (2013, p364) "This Cronbach alpha coefficient helps to test the uniformity of observed variables in the same scale. This index was calculated before factor analysis to discover EFA, with the aim of eliminating unsuitable variables. Therefore, improving reliability for the research concept to be measured".

Scholars agree that when "Cronbach's alpha's 0.8 or higher, the scale is good; from 0.7 to nearly 0.8 is possible" (Hair et al., 2010, p. 35). There are also some scholars who argue that Cronbach's alpha of 0.6 or more is used when the concept of a new scale or a new context for the person being surveyed (Peterson, 1994; Slater, 1995). Besides, for observed variables to be satisfactory, the total variable correlation coefficient must be  $\geq 0.3$  (Nunnally & Bernstein, 1994). The variables with the total variable correlation index  $<0.3$  will be considered garbage and should be excluded from the model.

#### \* Exploratory Factor Analysis (EFA)

"Analysis of the discovery factor EFA aims to preliminary assess convergence values, unidirectional properties and discriminatory values" (Nguyen Dinh Tho, 2013 p364). This result is then used for CFA factor analysis and SEM multi-structural analysis, so the Principal Axis Factoring extraction method and Promax rotation are applied (Kline, 2005). The basis for performing the EFA analysis agreed by many scholars include:

The first is "KMO index (Kaiser Meyer Olkin) to consider the suitability of factor analysis in the range of  $0.5 \leq \text{KMO} \leq 1$ " (Hair et al., 2010, p. 65).

Second, "Bartlett's test satisfies the condition  $\text{Sig} \leq 0.05$ . If this test satisfies the conditions ( $\text{Sig} \leq 0.05$ ), the variables in the population are correlated", according to Hoang Trong et al (2008 p 136).

Third, factor loading factor (Factor loading) $> 0.5$ . According to Hair et al. (2010, p. 89), "Factor loading is an index that is the practical significance of EFA. Factor loading $> 0.3$  means the minimum (recommended if the sample size is at least 350). Factor loading $> 0.4$  means important. Factor loading $> 0.5$  is considered of practical significance (recommended if the sample size is at least 100)"

Fourth, the scale is acceptable provided that the total variance extracted is  $\geq 50\%$ , and the extraction coefficient Eigenvalue $> = 1$  will be retained, while  $<1$  will not represent better information than the original variable.

In this thesis study, with the conditions on the scale with Cronbach alpha index of the variables must be  $> 0.6$  and variable correlation $> 0.3$  will be selected, the coefficient KMO satisfying the condition  $0.5 \leq \text{KMO} \leq 1$ ; The Bartlett test has  $\text{sig} \leq 0.05$ , the difference between the Factor Loading coefficients is less than 0.3, the Factor Loading coefficient $> 0.5$ , and from the results of the rotation factor, the researcher proceeds to redesign the official model and Question list.

## 4. Result

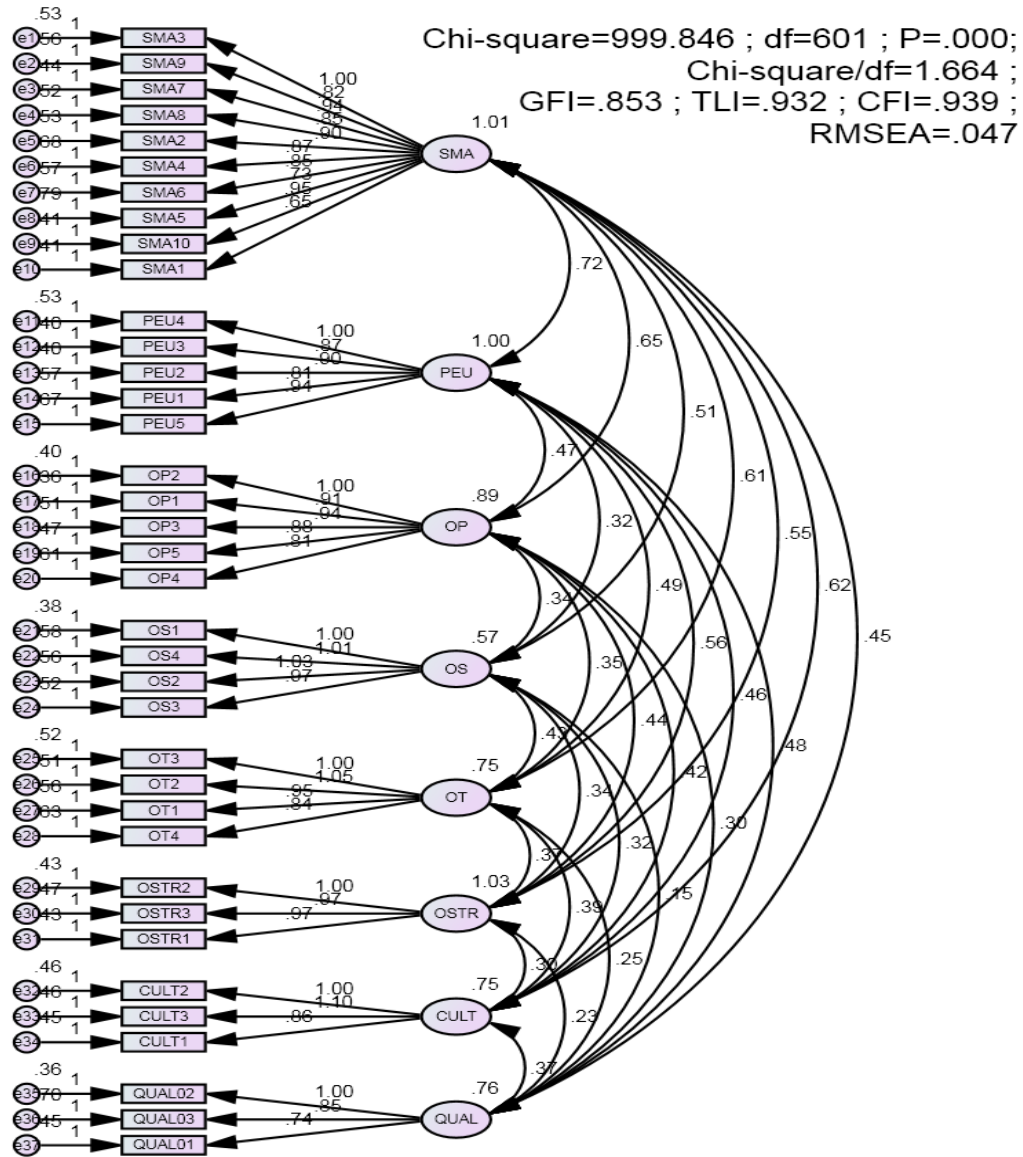
Table 1. EFA analysis rotation matrix

	Factor							
	1	2	3	4	5	6	7	8
SMA2	.778							
SMA9	.775							
SMA8	.755							
SMA3	.722							
SMA5	.716							
SMA4	.697							
SMA7	.674							
SMA1	.673							
SMA10	.569							
SMA6	.500							
OP2		.797						
OP5		.765						
OP3		.760						
OP4		.740						
OP1		.715						
PEU4			.846					
PEU2			.825					
PEU3			.761					
PEU1			.751					
PEU5			.532					
OS1				.775				
OS2				.688				
OS4				.669				
OS3				.620				
OT3					.830			
OT2					.713			
OT1					.701			
OT4					.634			
OSTR2						.896		
OSTR3						.811		
OSTR1						.804		
QUAL02							.805	
QUAL03							.715	
QUAL01							.617	
CULT2								.834
CULT3								.681
CULT1								.605

*Nguồn: từ SPSS 22*

CFA analysis input model was 8 factors and 37 variables met the criteria. Model index CMIN / DF = 1,664 <2; TLI = 0.932> 0.9, CFI = 0.939> 0.9; RMSEA = 0.47 <0.08. The critical model all meet the set standards, so the model of this topic has a high degree of relevance to the data.





Source: CFA analysis results from AMOS 22

### 5. Conclusion

Implementing SMA is an increasingly popular development trend of ME, in chapter 5, the author generalizes the research results, on this basis draw out the governance implications to enhance the implementation of SMA at ME through that, enhancing ME's performance. Seven groups of policy implications are proposed by the author include: (1) Building ME culture; (2) Raise awareness about the uncertainty of the business environment; (3) Develop an offensive business strategy; (4) Develop software to support the accounting and administration of ME; (5) Strengthen decentralized management structure; (6) Improve the qualifications of MA staff; (7) Enhance the implementation of SMA in ME.

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