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Applying Strategic Management Accounting to Influence Business Efficency of Manufacturing Enterprises in Hanoi

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Abstract
Strategic management accounting (SMA) is a development step of traditional management accounting with future orientation and outward-looking information, helping to greatly support the strategic management of businesses in a competitive economy. Painting. This article studies the impact of applying SMA on business performance. The research method is conducted by combining qualitative research and quantitative research to determine the research model, research hypotheses, test the research model and measure the impact of applying SMA on effectiveness. Business results of manufacturing enterprises in Hanoi. Based on data collection from 165 manufacturing enterprises in Hanoi. Research results show that applying SMA affects business efficiency at manufacturing enterprises in Hanoi. The experimental results add to the SMA research literature and the impact of SMA on business performance of enterprises, providing implications to promote the application of SMA at manufacturing enterprises in Hanoi.

Keywords: Strategic Management Accounting, Business Efficiency, Manufacturing Enterprises

1. Introduction

Administrators have difficulties in sustaining and growing sustainable firms in the present, competitive, and unstable business climate. For companies to be able to adjust to changes in the business environment, they must have suitable business plans. There is a lot of pertinent data needed both internally and externally for the processes of developing, executing, and assessing plans. Because related methodologies take into account external elements like the competitive environment, strategic management accounting information will aid managers in determining the strategy and strategic position of the firm (Simmond, 1981) [5]. Concurrently, risk identification enables managers to create strategies for mitigation or other action items, and it permits businesses to track the advancement of strategy execution (Roslender and Hart, 2002; 2003; Ward, 1992). Therefore, studying the impact of SMA application on business efficiency will help businesses better understand the role of SMA in the business, thereby enhancing SMA application and improving business efficiency.

2. Theoretical basis

Strategic management accounting (SMA)

Concept

Management accounting is considered a tool that provides information with an emphasis on effective internal aspects, helping administrators understand the advantages and disadvantages of the business so that they can make timely and correctly management decisions. Management accounting initially only focused on costs and financial control, to ensure the organization's goals, according to the development of the environment, stemming from management needs, development management accounting has the model, specific content and methods, becoming an important tool for all businesses.

Beginning in the 1980s, in the context of the business environment, there have been many changes in form and nature, containing fierce competition, risks, and pressures that businesses must confront. Globalization combined with the high flexibility of the business environment are also challenges that require businesses to change in order to adapt and develop sustainably.

Researcher Simmond (1981) [5] introduced the concept of strategic management accounting for the first time. The basis for this concept came from Porter's Strategic Framework (1980) to provide and analyze data. Management accounting of the business itself and of its competitors, helping businesses develop and monitor business strategies.

Numerous studies on strategic management accounting have been published to date, including those by Bromwich (1990), Brromwich and Bhimani (1994), and Langfied Smith (1998). Nonetheless, there isn't a well acknowledged formal framework for strategic management accounting.

The authors of the strategic management accounting group believe that the gradual shift from standard management accounting to strategic management accounting represents the junction of accounting and strategic management and can help to the function of information response is external to the process of implementing strategies. In general, strategic management accounting is defined as the following: The procedure for gathering, processing, and delivering accounting data, including data from both inside and outside the unit, during the planning, execution, verification, and assessment of strategic decisions for the operation of the unit going forward.

The role of strategic management accounting information for strategic management functions

- Strategic management accounting information will help administrators determine the strategy and strategic position of the enterprise.
- Strategic management accounting information helps administrators have a sufficient basis for planning.
- Strategic management accounting information helps managers make decisions.
- Strategic management accounting information helps managers perform reviews. This is the last step of the administrator after making a decision and implementing it, helping the administrator to recognize and re-evaluate the problem, thanks to which the administrator will summarize the experience and lessons to serve. Decide and control. Strategic management accounting information will orient information according to the needs of administrators to make comparisons and assessments to help control and review effectively.

Business efficiency

From the perspectives of economists such as A. Smith, P. Samueleson and W. Nordhaus, or Manfred Kuln, according to the book Business Administration (Do & Huyen, 2011), "efficiency" can be understood as a concept. Concept reflects the level of use of resources to achieve identified goals. This is evaluated in terms of the relationship between the resources used and the results produced to consider to what extent each expenditure of resources can produce results.

Efficiency refers to the quality of activities, demonstrating the level of utilization of resources in the operation of processes, regardless of the scale and rate of change of each factor. Efficiency can be evaluated from different angles, subjects, scopes and periods, so based on each specific angle, different types of efficiency can be distinguished: Social efficiency, economic efficiency, economic efficiency, socio-economic and business efficiency.

Business efficiency is a category that reflects the level of utilization of resources to achieve defined goals. Business efficiency is closely linked to the business activities of the enterprise. It reflects the quality side of the business process. Through evaluating business performance, business administrators will know which factors are being implemented in the right direction, bringing high efficiency and will try to further promote them in the next financial years. And for any factor that is stagnant and not really effective, the cause will be found and a timely remedy will be found. Business efficiency is evaluated in the following aspects:

General business efficiency: Reflects the profit of all business capital, the profit of equity capital, the profit of sales revenue by period, the production capacity of a business capital, the production capacity of one business expense.

Efficiency in each field: Reflects the efficiency of labor use, efficiency of use of fixed capital and fixed assets, efficiency of use of working capital and current assets, efficiency of contributed capital.

Efficiency in each field does not represent the effectiveness of the enterprise. In this article, the authors aim to measure the overall business efficiency of the enterprise due to its nature reflecting the level of use of all resources. Therefore, it is possible to make a general assessment and allow conclusions to be made about the effectiveness of the entire enterprise. (Do & Huyen, 2011).

Measures of company performance indicators

An indicator of profitability that displays the return on investment made by the business from its equity, assets, and revenue.

Indicators of business efficiency often take the form of the following formula, which denotes the relative connection between company results and the methods of achieving results:

$$\text{Business efficiency} = \frac{\text{Business performance}}{\text{Resources create business results}}$$

The article's main objective is to assess an organization's business performance using a set of metrics that show the enterprise's profitability. Business outcomes are often expressed as profit in the formula above, and analysts can utilize a variety of profit indicators to determine this profit (profit after corporate income tax, accounting profit before tax and interest, profit after tax), gross profit and net profit from operations. The writers of this article measure the business outcomes that companies get after meeting their duties to state agencies using the target profit after corporate income tax.

Resources that create results are also expressed through many indicators such as assets, total investment capital, equity, costs, etc. Because there are many indicators that reflect business results as well as the means of creating those business results, there are many indicators that reflect the business performance of an enterprise and each of those indicators will have a certain meaning.

The effectiveness of employing assets in corporate operations is demonstrated by the return on assets (ROA) ratio. This indicator, which illustrates the potential profit margin for each asset utilized in corporate operations, is fairly thorough in assessing the efficiency of a corporation. This indicator's high magnitude indicates that the company uses its resources efficiently. A company's position in the market and the business strategy it is pursuing may be assessed by looking at its return on assets (ROA).

The effectiveness of a company's use of its equity capital is demonstrated by the return on equity ratio (ROE). This metric shows the potential profit after taxes that each dollar of equity invested in the company may provide. Owners are therefore particularly concerned with maintaining or increasing the return on equity ratio.

Return on total revenue (ROS) ratios show how profitable it is to offer goods and services to customers. It is a performance metric used to assess an organization's business situation. A company's ability to create new goods, hire staff, and invest in infrastructure all depend on its level of profit, which can fuel future growth.

Many prior studies have also assessed company efficiency using well-known indicators with high synthetic meaning in order to assess business efficiency, based on the interpretation of a few of the just-mentioned business efficiency analysis indicators. The writers of this paper also suggest using business metrics like ROA, ROE, and ROS (Ha, 2020; H. T. Nguyen & Nguyen, 2020; Phornlaphatrachakorn & Na-Kalasindhu, 2020).

3. Research methods

Qualitative research methods

To clarify the practice of applying strategic management accounting to affect the business performance of manufacturing enterprises in Hanoi, the author uses a combination of qualitative research methods and quantitative research methods. Quantity. Qualitative methods are used for the purpose of discussing the indicators used to measure business performance. Based on the theoretical basis that has been synthesized, the author drafted a questionnaire with two main parts: Part 1 explores the current state of business efficiency, part 2 researches the impact of applying SMA on business efficiency, business of the enterprise.

Quantitative research methods

Collect data

According to Hair *et al* (1998), the smallest sample size must be 50, preferably 100 and the ratio of observations/measured variables is 5/1, so the author selected 180 listed companies for the survey. The sampling method is a convenient random method.

Data processing

Survey data processing is carried out in the next stage to screen out inappropriate survey forms due to blank answers or inconsistencies in the answers. The number of survey questionnaires included for data analysis included 165 questionnaires. The questionnaires included in the analysis were entered and processed using SPSS software with the main analysis techniques: Descriptive statistics, EFA testing and regression analysis. Finally, there is the presentation of the research results and the presentation of the article.

4. Research results

After distributing 180 surveys to managers at 180 randomly selected manufacturing enterprises in Hanoi, the author received 165 valid votes. The author conducted data processing and data analysis. The initial descriptive results are obtained:

Table 1: Description of general information of the study sample

		Frequency	Rate (%)
Sex	Male	103	62.42%
	Female	62	37.58%
Age	From 25 to 40 ages	61	58.09%
	From up 41 to 60 ages	89	53.94%
	Upto 60 ages	15	12.03%
Academic level	high school level	8	4.84%
	University degree	98	59.40%
	PhD/Master's degree	59	35.76%
Application SMA level	Rarely	25	15.14%
	Regular	92	55.76%
	Frequently	48	29.10%

Source: Data processing outcomes

Through the descriptive statistics table, it can be seen that the level of strategic management accounting application at manufacturing enterprises in Hanoi is quite high. Only 15.14% of businesses surveyed do not regularly apply strategic management accounting. On the basis of preprocessed data, the author analyzes the impact of applying strategic management accounting on business performance of enterprises.

Cronbach's Alpha test

All Cronbach's alpha coefficients of the variables were ≥ 0.6, thus meeting the requirements to be included in factor analysis. At the same time, the total correlation coefficients of the observed variables all meet the requirement of ≥ 0.3, ensuring that the given scales can be trusted in a statistically significant way.

Table 2: Cronbach's Alpha test

Symbol	Variable	Average scale if variable type	Scale variance if variable type	Variable-total correlation	Alpha if variable type
SMA1	Strategic cost accounting	14.3854	9.910	.716	.768
SMA2	Competitors Accounting	14.7857	9.680	.626	.772
SMA3	Customer accounting	14.1257	9.215	.688	.749
SMA4	Strategic decisions accounting	14.8109	9.413	.727	.761
SMA5	Accounting controls and measures performance	15.2828	10.582	.671	.798
ROS	Return on total revenue	15.1257	10.215	.788	.797
ROA	Return on assets	14.9509	9.413	.767	.781
ROE	Return on equity	15.2164	10.182	.772	.810

Source: Data processing outcomes

Exploratory factor analysis (EFA)

The results of testing the data with KMO = 0.842 (> 0.5), Sig of Bartlett's Test is 0.000, smaller than 0.05, showing that these observations are correlated with each other and completely consistent with factor analysis. The factor loadings of the observed variables are all > 0.5, the total variance extracted is 70.184% (> 50%) and the Eigenvalue coefficient = 1.352 (> 1). These tests were warranted for exploratory factor analysis.

Thus, all the scales selected for the variables in the model meet the requirements and can be used in subsequent analyses.

Results of regression analysis

Results of regression analysis of the model to measure the influence of effectiveness on the quality of information on financial statements: Value of testing the goodness of fit of the sig model = 0.000 < 0.05 shows that the variables in the model can explain the change in the dependent variable.

Table 3: Coefficients[a]

Model	The beta coefficient is not uniform		Beta Coefficient Standardized	t	Sig.
	B	Std. Error	Beta		
Blocking coefficient	3.216	.042		153.493	.000
SMA	.242	.024	.312	3.186	.000
a. Dependent Variable: PER					

Source: Data processing outcomes

Linear model showing the impact of applying SMA on business performance of manufacturing enterprises in Hanoi

PER = 3.216+ 0.312*SMA

In which: PER is the dependent variable - Business efficiency.

Independent variable: SMA - Applying strategic management accounting

5. Conclusion

Research results show that applying SMA has a positive impact on business performance of manufacturing enterprises in Hanoi. This is also the expectation of any business when improving its accounting information system to better serve strategic management, and help improve business efficiency of the business. To effectively apply SMA, the authors make the following suggestions:

For Businesses

Administrators must recognize the critical role SMA, in particular, and accounting information systems in general play in strategic management. Vietnamese firms nowadays must pay close attention to SMA because to the intense degree of market competitiveness. Not only do they have to contend with competition from other domestic brands operating in the same sector, but global brands also have a significant effect.

Due to the growth and significant impact of the Fourth Industrial Revolution, Hanoi's industrial businesses are compelled to use information technology and incorporate it into their operations in order to allocate funds for output invest in digital and information technologies. Additionally, this helps firms a great deal with information gathering, processing, storing, and reporting. In addition, a good information technology platform also helps businesses take advantage of customer needs, consumer trends, market dynamics... which is one of the contents that SMA covers.

In order to deploy SMA, administrators must not only create the necessary infrastructure (information technology components), but also distribute and inform relevant staff members. Promote and cultivate an attitude that views human resources as a natural means of transmitting information and as a valuable source of data for strategic management.

Businesses need to build close connections and exchange information. Form teams for the management process with the presence and participation of personnel from many departments such as production, business, etc. With the characteristics of management, administrators need to use a lot of information. Information, sometimes this information is not easily accessible quickly and in detail, which is a challenge for traditional management accounting. SMA was born with a clear role of supporting strategic decisions, the ability to link data from functional departments to create information with an expansion orientation both inside and outside the business, bringing long term. For SMA to be successfully applied, it requires a cross-functional team, with accounting activities closely coordinated with activities in many other departments (such as the marketing department).

Accounting plays an important role in the information chain of businesses, so businesses need to connect and cooperate with education and training units to set human resource needs and ensure human resources are available, quality, consistent with job requirements, especially the demand for accounting work has changed a lot in the direction of accounting personnel participating more in the strategic management of the unit.

For educational and training establishments

For SMA to be widely applied in businesses, accounting personnel need to have an appropriate competency base, be able to adapt to changes in industry requirements and be able to actively participate in strategic management. Therefore, the author offers the following opinions:

Educational and training institutions focus on innovating training programs towards international integration. Some bachelor's degree accounting training programs in Vietnam have included the SMA module in their training, but not many and it is an elective module. A number of SMA textbooks have been disseminated and researched in a number of accounting training programs around the world. Educational and training institutions in Vietnam can consider including them in mandatory training programs for students. Students will not be confused with terminology and SMAs, as well as see the role of SMAs in the strategic management of businesses.

Maintain the development of an integrated training program that incorporates multidisciplinary interaction so that accounting students may engage in teamwork, which is a crucial aspect, in addition to gaining knowledge in the accounting sector, creating a decision-making information system that works for administrators.

Training programs in an integrated economy must be created so that students may pursue independent study and lifetime learning by honing their foreign language skills and strengthening their IT application abilities, self-assurance in one's studies and career. Accounting students now need to read, comprehend, and analyze massive data in addition to utilizing information technology, such as accounting software, due to the significant impact of digital technology. As a result, educational institutions are more eager to offer big data analysis training materials so that students can select data, analyze tools, and guarantee suitable data quality, suitable for decision-making by administrators.

Education and training institutions also need to invest more in technology infrastructure, equipping computers and specialized software suitable for training and simulating the application of SMA at schools.

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