



Received: 28-03-2024
Accepted: 08-05-2024

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

Business Scale Affects Strategic Management Accounting at Manufacturing Enterprises in Hanoi

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Abstract

Strategic management accounting plays an important role in helping businesses develop and implement effective strategies that can improve long-term competitiveness and profitability. The article combines qualitative research and quantitative research to determine the research model, research hypotheses, test the research model and measure the impact of business size on strategic management accounting. Strategies of manufacturing enterprises in

Hanoi. Based on data collection from 245 manufacturing enterprises in Hanoi. The empirical results add to the research literature on strategic management accounting and the impact of business size on strategic management accounting of businesses, providing implications to promote the application of management accounting. Strategic management at manufacturing enterprises in Hanoi.

Keywords: Strategic Management Accounting, Enterprise Scale, Manufacturing Enterprises in Hanoi

1. Introduction

The process of making strategic decisions, implementing strategies and evaluating strategies requires a lot of relevant information internally and externally. Strategic management accounting information will help managers determine the strategy and strategic position of the enterprise because related techniques consider external factors such as the competitive environment (Simmond, 1981) [7]. Strategic management accounting will help businesses control costs, improve product quality, increase customer satisfaction, create competitive prices, and attract high-quality human resources. Thereby improving the competitiveness of businesses. Depending on each business, the application of strategic accounting in business management is different. Starting from theory and practical needs, the article studies how business scale affects the application of strategic management accounting in manufacturing enterprises in Hanoi. From the research results, the article proposes some solutions to enhance the application of strategic management accounting to improve management efficiency.

2. Literature review and Theoretical background

Literature review

In recent years, many scholars have been interested in strategic management accounting in order to promote knowledge and comprehension of the subject, and the number of documents has expanded dramatically. Tell. Many researchers have attempted to study the factors influencing the application of strategic management accounting, including: Oyewo, 2020; Ojra, 2014; Cadez and Guilding, 2008 [4]; Nguyen Thu Hien *et al.*, 2023; Bui Thi Truc Quy, 2020; Le Thi My Nuong, 2020; Tran Hong Van and Tran Thi Phuong Lan, 2021; Pham Ngoc Toan *et al.*, 2018; and Doan Ngoc Phi Anh, 2012. However, the findings of the investigations are still disparate and contradictory.

Based on the contingency perspective, it can be seen that setting up an SMA system in each business will be different depending on the operating characteristics of that business. Larger scale enterprises mean that problems related to control and management also become more complex, information processing within the enterprise also increases, which requires information systems. The higher the level of accounting, the more complex it is.

Therefore, this can be a premise for businesses to pay more attention and promote the application of SMA because the larger the scale, the more the strategic decision-making process in the business needs information about costs. More detailed and accurate. Furthermore, as the scale expands, it becomes easier for businesses to access resources and conditions to apply newer and more detailed methods, management techniques, and cost calculations to serve their needs. For your development needs.

(Cinquini and Tennucci, 2010) [5].

Theoretical background

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) [7] 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.

There have been several studies on strategic management accounting, including Bromwich (1990), Brromwich and Bhimani (1994), and Langfied Smith (1998). Strategic management accounting can be defined as the process of collecting, processing, and providing accounting information, both inside and outside the unit, during the planning, implementation, and evaluation of strategic decisions for the unit's future operations.

3. Research methods

The author presents a research model based on the research summary, with "strategic management accounting" (SMA) as the dependent variable. Additionally, the following variables are used to measure the dependent variable, "enterprise scale": Revenue scale (SIZE1), asset scale

(SIZE2), operational time (SIZE3), labor scale (SIZE4).

Qualitative research methods

The researcher employs a blend of qualitative and quantitative research techniques. The variables used to quantify the impact of capital size on strategic management accounting are discussed using qualitative methodologies. The author responds to the statements in the questionnaire using a 5-point Likert scale in order to assess the degree of influence.

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 distributed 265 survey questionnaires to Vietnamese textile and garment enterprises. The results were 245 valid surveys. The following step involves analyzing survey data in order to weed out survey forms that aren't acceptable since the responses are inconsistent or leave blanks. There were 245 survey questionnaires that were included in the data analysis. The primary analytical approaches for the questionnaires used in the study include regression analysis, EFA testing, scale testing, and descriptive statistics. The surveys are input and processed using SPSS26 software. Finally, there is the paper presentation and the presentation of study findings.

4. Research results

After conducting 265 surveys, the author received 245 valid votes. The author conducted data processing and data analysis. The initial descriptive results are obtained:

Table 1: Describe general information of the research sample

		Frequency	Rate (%)
Gender	Male	131	53.47%
	Female	114	46.53%
Age	under 40 years old	82	33.47%
	From 41 to 59 years old	95	38.78%
	Up 60 years old	68	27.76%
SIZE1	Total revenue does not exceed 100 billion	96	39.18%
	Total revenue does not exceed 200 billion	115	46.94%
	Total revenue over 200 billion	34	13.88%
SIZE2	Total capital does not exceed 100 billion	98	40.00%
	Total capital does not exceed 200 billion	113	46.12%
	Total capital is over 200 billion	34	13.88%
SIZE3	Under 5 years	76	31.02%
	From 5 – 10 years	92	37.55%
	Over 10 years	77	31.43%
SIZE4	The number of employees is not more than 100 people	123	50.20%
	The number of employees is not more than 200 people	88	35.92%
	Number of employees is over 200 people	34	13.88%

Source: Author's calculations

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: Reliability Statistics

The Scale	Cronbach's Alpha
SMA	.872
SIZE1	.781
SIZE2	.763
SIZE3	.698
SIZE4	.726

Source: Author's calculations

The results of regression analysis show that the variables measuring the independent variable "enterprise size" all have a positive impact on strategic management accounting. This is the basis for manufacturing companies in Hanoi to propose solutions to improve business efficiency.

EFA exploratory factor analysis

The results of testing the data with KMO = 0.791 (> 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 72.51% (> 50%) and the Eigenvalue coefficient = 1.432 (> 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 measuring the influence of accountant quality on the quality of information on financial reports: Value of testing the appropriateness of the sig model. = 0.000 < 0.05 shows that the variables in the model can explain the change in the dependent variable.

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	1.971	.329		10.381	.000		
	SIZE1	.472	.047	.374	9.809	.000	.893	1.120
	SIZE2	.348	.029	.271	7.139	.001	.831	1.190
	SIZE3	.371	.031	.210	6.561	.000	.793	1.086
	SIZE4	.336	.033	.283	7.037	.000	.795	1.143

a. Dependent Variable: SMA

Source: Author's calculations

The linear regression model shows the impact of factors affecting the SMA:

$$SMA = 1.971 + 0.472 * SIZE1 + 0.348 * SIZE2 + 0.371 * SIZE3 + 0.336 * SIZE4$$

5. Conclusion

Regression analysis and the standardized regression equation show that 4 factors are positively correlated with SMA component SIZE1 has the biggest B = 0.472 among them, whereas componen SIZE4 has the lowest coefficient B = 0.336.

From the research results, the authors propose a number of solutions to enhance the application of strategic management accounting in manufacturing enterprises in Hanoi:

First, increase revenue scale. If you want to increase revenue, businesses must find every way to consume more goods, or produce better goods than before to be able to sell more goods, or sell goods at higher prices than before. .

Next, to consume more goods also requires businesses to either produce more products of better quality than before, or to market well so that many customers know and accept the business's products. Industry, either to produce products with beautiful and diverse designs that appeal to consumers, or to expand the enterprise's target market.

Second, technology helps people manage work more effectively and quickly, while providing timely and reliable information. Strategic management accounting techniques force management accountants to use many strategic management accounting techniques to meet the needs of management. Business administrators need to promote investment in management accounting infrastructure and application software. Therefore, leaders need to change management methods, clearly realize the role of software in management and operations and make higher requirements for information provided by the system, which will have an impact. Wider.

Third, 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, ensuring there is Quality human resources, consistent with job requirements, especially the demand for accounting work has changed in the direction of accounting personnel participating more in the strategic management of the unit.

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