

FACTORS AFFECTING THE APPLICATION OF STRATEGIC MANAGEMENT ACCOUNTING TECHNIQUES AND PERFORMANCE IN VIETNAMESE ENTERPRISES

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Appendix 1. Scale of variables in the model

		Observed variables	SCALE	SOURCE
Level of competition (LOC)	LOC1	Competition on product quality	Likert 5 levels, from 1 (very low) to 5 (very high)	Ojra, 2014; Sumkaew, 2016
	LOC2	Competition to buy goods and raw materials		
	LOC3	Price competition		
	LOC4	Competition in distribution channels		
	LOC5	Competition for human resources		
Degree of environmental instability (DOE)	DOE1	Number of new products/services have been marketed during the past 5 years by your industry.	From 1 (none) to 5 (many)	Pavlatos (2015)
	DOE2	The degree of stability or variability in profitability that your company faces	From 1 (very stable/changing slowly) to 5 (very dynamic/changing rapidly)	McManus (2013); Ojra (2014)
	DOE3	The degree of stability or change in technology that your company faces	From 1 (very stable/changing slowly) to 5 (very dynamic/changing rapidly)	
	DOE4	The ability to predict the activities of your competitors	From 1 (becoming more predictable) to 5 (becoming less predictable)	Sumkaew (2016)
	DOE5	The company's ability to predict the tastes and preferences of its customers	From 1 (much easier to predict) to 5 (much harder to predict)	
	DOE6	The changing legal environment facing companies	From 1 (Remained about the same) to 5 (have proliferated greatly)	Sumkaew (2016)
	DOE7	How often does the company discover new science in its line of business?	From 1 (seldom) to 5 (Frequently)	McManus (2013); Ojra (2014)
Ownership structure (OS)	OS1	Shareholders are foreign investors.	Likert 5 levels: 1: Own less than 5% 2: Own from 5% to less than 20% 3: Own from 20% to less than 50% 4: Own over 50% 5: Own more than 50%	Securities Law No. 54/2019/QH14, VAS 08
	OS2	State shareholder.		
	OS3	Shareholders are other domestic investors.		
	OS4	Shareholders are senior managers.		

		Observed variables	SCALE	SOURCE
Business strategy (BS)	BS1	<p>Level 1 – Company Type A</p> <p>Company follows a completely follower strategy with the following characteristics:</p> <p>(i) Provides a relatively stable set of products/services; (ii) Does not take the lead in developing new products/services or developing markets; (iii) Tends to ignore changes that do not have a direct impact on its current areas of operation, focusing on doing the best job possible in its current area.</p>	5-point Likert: Ask respondents to choose a scale from 1 to 5 to respond by choosing (1) if they belong to company type A, (3) if they belong to company type B and (5) if they belong to company type C	Ma (2007)
	BS2	<p>Level 3 – Type B</p> <p>+ Unclear follower or pioneer strategy, characterized by: (i) Maintaining a relatively stable set of products/services while developing new products/services/markets with potential for selection; (ii) Rarely being the first to introduce a new product/service, the company tries to follow with a more cost-effective or better-designed product/service.</p>		
	BS3	<p>Level 5 – Type C</p> <p>Company Fully follows a first-mover strategy with the following characteristics:</p> <p>(i) Relatively frequent changes to the product/service mix (especially additions); (ii) always trying to be the first to introduce new products/services or enter new market segments, even if not all of these efforts are ultimately successful; (iii) Rapid response to market needs or opportunities.</p>		

		Observed variables	SCALE	SOURCE
Organizational structure (OS)	OS1	Degree of decentralization in developing new products or services.	Decentralized management	Gordon and Narayanan (1984)
	OS2	Degree of decentralization in hiring and firing employees.	Likert 5 levels, from 1 (no delegation) to 5 (complete delegation)	
	OS3	The degree of decentralization in deciding on large investments.		
	OS4	Degree of decentralization in budget allocations		
	OS5	Degree of decentralization in pricing decisions.		
	OS6	Level of detail and specificity in regulations, implementation instructions and evaluation of effectiveness for each assigned task and work.	Formality/Transparency Likert 5 levels, from 1 (very low) to 5 (very high)	
	OS7	The level of clarity in dividing responsibilities and authorities between departments and individuals;		
	OS8	The level of formality (written, publicly announced, etc.) of regulations and instructions on responsibilities, authorities, work methods, and employee performance evaluation.		
Market orientation (MO)	MO1	The company has a deep understanding of its customers.	Customer orientation	Guilding and McManus (2002)
	MO2	Activities within the company are closely coordinated to create superior value for customers.	Coordinate with functional departments.	
	MO3	Your company's managers said that serving the needs and wants of the market chosen as achieving long-term growth and potential for making profit of the company.	Focus on the long term/Maximize profits.	
	MO4	The company has a clear market orientation.	Combine all three aspects above	

		Observed variables	SCALE	SOURCE	
Information technology (IT)	IT1	The use of technology is a core element of the company's operating system.	Technology	Ojra (2014)	
	IT2	The company's product/service production technique is based on technology.			
	IT3	The company's accounting information system is computer-based.	Information technology		
	IT4	The company invests in packaged software to support accounting and other operations within the company.			
Applying strategic management accounting techniques (SMA)	SMA1	Attribute costing	<ul style="list-style-type: none"> ▪ The company analyzes the benefits (attributes) that the product brings to customers ▪ The company determines the types of benefits (attributes) to include in determining costs ▪ The company calculates the costs of creating the benefits (attributes) of the product? ▪ The company redesigns the product to increase profits. 	Guilding et al. (2000); Botten and Sims (2005)	
	SMA2	Target costing	<ul style="list-style-type: none"> ▪ The company researches and determines competitive selling prices for new products. ▪ The company calculates the desired (target) production cost of the new product according to the formula: Target cost = target selling price - target profit. ▪ If the expected production cost is higher than the target cost, the company will make changes in production to reduce the cost to a maximum of the target cost. ▪ The company negotiates with suppliers and customers during the development of new products to achieve predetermined costs 		Guilding et al. (2000); Cinquini and Tenucci (2010); Huang et al. (2012); Afonso et al. (2008)
	SMA3	Life cycle costing	<ul style="list-style-type: none"> ▪ The company tracks and includes in the product value the costs from the idea generation and pre-production stages. ▪ The company tracks and includes in the product value the costs incurred during the production process. ▪ The company tracks and includes in the product value: 		

	Observed variables	SCALE	SOURCE
		installation, commissioning, warranty and disposal costs.	
SMA4	Quality costing	<ul style="list-style-type: none"> ▪ The company identifies costs incurred in preventing, assessing product/service quality/ or due to errors ▪ The company collects and determines costs incurred in preventing, assessing product/service quality/ or due to errors ▪ The company controls costs incurred in preventing, assessing product/service quality/ or due to errors 	<p>Guidling et al. (2000); Alnawaiseh (2013)</p>
SMA5	Determine the benchmark	<ul style="list-style-type: none"> ▪ The company identifies outstanding methods and practices from units with standard operating efficiency ▪ The company makes efforts to understand outstanding methods and practices from units with standard operating efficiency ▪ The company learns from outstanding methods and practices of units with standard operating efficiency ▪ The company compares its operating efficiency with the standard operating efficiency. 	<p>Cinquini and Tenucci (2010); Alnawaiseh (2013)</p>
SMA6	Balanced Scorecard	<ul style="list-style-type: none"> ▪ The company uses a combination of financial and non-financial measures to manage strategy execution ▪ The company links its vision and strategy to the customer perspective, internal business processes, and learning and growth. 	<p>Dmitrović-Šaponja and Suljović (2017); Alnawayseh (2013)</p>
SMA7	Strategic pricing	<ul style="list-style-type: none"> ▪ The company analyzes the impact of competitors' prices in the product pricing process. ▪ The company analyzes the impact of competitors' reactions in the product pricing process. ▪ The company analyzes the impact of competitors' flexibility in the product pricing process. ▪ The company analyzes the impact of economies of scale in the product pricing process. 	<p>Guidling et al (2000); Alnawayseh (2013)</p>
SMA8	Brand valuation	<ul style="list-style-type: none"> ▪ Marketing budgets are allocated according to the respective value/strength of the brand in the investment portfolio. 	<p>Guidling et al. (2000); Cravens and Guidling</p>

Observed variables		SCALE	SOURCE
		<ul style="list-style-type: none"> ▪ The company values the brand to support management decisions within the unit, based on one of the following bases: Total costs related to creating the brand; Estimated cost required to recreate the brand in its current state; Estimated selling price of the brand in the market; Present value of future earnings generated thanks to the brand. 	(1999); Botten and Sims (2005)
SMA9	Competitive Cost Assessment	<ul style="list-style-type: none"> ▪ The company estimates the unit cost (value and configuration) of its manual competition. ▪ The company continuously estimates the unit cost of its competition. 	Guilding et al. (2000); Cinquini and Tenucci (2010)
SMA10	Monitor competitive position	<ul style="list-style-type: none"> ▪ The company evaluates and monitors the sales and market share of its competitors ▪ The company evaluates and monitors the sales volume and unit cost of its competitors. ▪ The company evaluates and monitors the profit on sales of its competitors. 	Guilding et al. (2000); Cadez and Guilding (2008); Cinquini and Tenucci (2010); Ojra (2014).
SMA11	Evaluate competitors based on published financial statements	<ul style="list-style-type: none"> ▪ The company analyzes published financial statements of competitors to evaluate the main competitive advantages (of competitors). 	Guilding et al. (2000)
SMA12	Customer profitability analysis	<ul style="list-style-type: none"> ▪ The company identifies customers who conduct transactions with the company during a certain period of time. ▪ The company classifies customers by distribution area, average purchase value or average purchase quantity.... ▪ The company identifies the revenue of each customer/customer group. ▪ The company identifies the cost of each customer/customer group. ▪ The company identifies the profit of each customer/customer group. 	Guilding and McManus (2002); Botten và Sims (2005)
SMA13	Customer lifetime profitability analysis	<ul style="list-style-type: none"> ▪ The company identifies customers who conduct transactions with the company (during a certain period of time). ▪ The company classifies customers by distribution area, 	Guilding and McManus (2002); Botten and Sims (2005)

	Observed variables	SCALE	SOURCE
		<p>purchase value and average purchase quantity....</p> <ul style="list-style-type: none"> ▪ The company estimates the revenue from each customer/customer group during the expected duration of the purchase relationship between the specific customer or customer group and the company. ▪ The company estimates the cost of each specific customer/customer group during the expected duration of the purchase relationship with the company. ▪ The company estimates the profit of each specific customer/customer group during the expected duration of the purchase relationship with the company. 	
	SMA14 Value customers as assets	<ul style="list-style-type: none"> ▪ The company views customer relationships as assets. ▪ The company values customers (assets) based on: The present value of all income streams arising from a specific customer/customer group; The present value of all cash flows arising from a specific customer/customer group... 	Guiding and McManus (2002); Cadez and Guiding (2008)
	SMA15	<ul style="list-style-type: none"> ▪ The level of application of SMA techniques in general in enterprises. 	Authors' proposal
Operational Results (OR)	Non-financial Performance		
	OR1 Customer satisfaction	5-point likert scale from 1: (Absolutely lower than competitors) to 5 (Absolutely higher than competitors).	McManus (2013); Ojra (2014)
	OR2 The company's ability to adapt to changing business environments.		Alamri (2018)
	OR3 Employee satisfaction.		Alamri (2018) Bui Thi Truc Quy (2020)
	OR4 Product quality and new product/service launch.		McManus (2013), Ojra (2014)
	OR5 The company's improvement efficiency.		McManus (2013), Ojra (2014)
	Financial performance		
	OR6 Return on assets (ROA).	Return/Total Assets	Authors' proposal

	Observed variables	SCALE	SOURCE
OR7	Return on Equity (ROE)	Return/Equity	Pavlatos and Kostakis (2018)
OR8	Return on Sales (ROS).	Return/Sales	Pavlatos and Kostakis (2018)

Appendix 2. Structure of the model

