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Strategic Management Accounting and Organizational Performance in Dynamic Business Environments: An Integrative Literature Review

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Abstract. Strategic management accounting (SMA) has become increasingly important in supporting managerial decision-making, competitive positioning, and organizational performance in dynamic business environments. This study aims to synthesize the literature on the relationship between strategic management accounting practices and organizational performance, with particular attention to the mechanisms through which accounting information supports strategic planning and managerial control. An integrative literature review was conducted by examining peer-reviewed studies related to strategic costing, competitor accounting, strategic performance measurement, budgeting, management control, and strategic decision-making. The synthesis indicates that SMA contributes to organizational performance by providing forward-looking, externally oriented, and strategically relevant information that supports cost management, resource allocation, competitive analysis, performance evaluation, and long-term decision-making. The effectiveness of SMA is strengthened when accounting information is integrated with managerial strategy, organizational learning, market orientation, and adaptive control systems. However, the contribution of SMA may vary according to environmental uncertainty, organizational structure, technological capability, management competence, and the level of strategic integration within the organization. The review concludes that SMA creates greater organizational value when accounting practices are positioned as part of the strategic management process rather than as merely technical reporting activities.

Keywords: strategic management accounting; organizational performance; management control; strategic decision-making; business strategy

Abstrak. Akuntansi manajemen strategis semakin penting dalam mendukung pengambilan keputusan manajerial, posisi kompetitif, dan kinerja organisasi di lingkungan bisnis yang dinamis. Penelitian ini bertujuan untuk menyintesis literatur mengenai hubungan antara praktik akuntansi manajemen strategis dan kinerja organisasi, dengan perhatian khusus pada mekanisme yang menjelaskan bagaimana informasi akuntansi mendukung perencanaan strategis dan pengendalian manajerial. Kajian ini menggunakan pendekatan *integrative literature review* dengan menelaah penelitian *peer-reviewed* yang berkaitan dengan *strategic costing*, akuntansi pesaing, pengukuran kinerja strategis, penganggaran, pengendalian manajemen, dan pengambilan keputusan strategis. Hasil sintesis menunjukkan bahwa akuntansi manajemen strategis berkontribusi terhadap kinerja organisasi dengan menyediakan informasi yang berorientasi ke masa depan, berfokus pada lingkungan eksternal, dan relevan secara strategis untuk mendukung pengelolaan biaya, alokasi sumber daya, analisis persaingan, evaluasi kinerja, dan pengambilan keputusan jangka panjang. Efektivitasnya semakin kuat ketika informasi akuntansi diintegrasikan dengan strategi manajerial, pembelajaran organisasi, orientasi pasar, dan sistem pengendalian yang adaptif. Namun, kontribusi akuntansi manajemen strategis dapat berbeda menurut tingkat ketidakpastian lingkungan, struktur organisasi, kapabilitas teknologi, kompetensi manajemen, dan tingkat integrasi strategis dalam organisasi. Kajian ini menyimpulkan bahwa akuntansi manajemen strategis memberikan nilai organisasi yang lebih besar ketika praktik akuntansi ditempatkan sebagai bagian dari proses manajemen strategis, bukan hanya sebagai aktivitas pelaporan teknis.

Kata Kunci: akuntansi manajemen strategis; kinerja organisasi; pengendalian manajemen; pengambilan keputusan strategis; strategi bisnis

1. Introduction

Organizations increasingly operate in business environments characterized by intense competition, technological change, shifting customer expectations, resource constraints, and greater uncertainty. Under such conditions, managers require information that extends beyond conventional historical financial measures and supports the formulation, implementation, and evaluation of business strategy. Management accounting has consequently evolved from a predominantly internal and cost-oriented function toward a broader strategic role that integrates financial and non-financial information with competitive and market considerations. Within this development, strategic management accounting (SMA) has emerged as an important approach for connecting accounting information with strategic management and organizational decision-making (Ojra et al., 2021; Nik Abdullah et al., 2022).

SMA differs from conventional management accounting through its stronger external, competitive, and forward-looking orientation. Rather than focusing exclusively on internal costs, budgets, and short-term financial outcomes, SMA incorporates information concerning competitors, customers, market conditions, strategic positioning, and long-term value creation. The literature associates SMA with a range of practices, including strategic costing, competitor accounting, customer accounting, strategic pricing, value-chain analysis, target costing, benchmarking, and strategic performance measurement (Ojra et al., 2021; Nik Abdullah et al., 2022). These practices potentially provide managers with a broader informational foundation for evaluating strategic alternatives and allocating organizational resources.

The strategic role of accounting becomes particularly important when organizations face dynamic and uncertain environments. Changes in competition, customer behavior, technology, regulation, and market structures can reduce the usefulness of accounting systems that rely primarily on historical and internally oriented information. Contingency-based research suggests that the effectiveness and adoption of SMA depend on the conditions confronting an organization. Nguyen et al. (2023), for example, found that factors including competitive intensity, organizational structure, technology, business strategy, and perceptions of market instability positively influence the application of SMA in Vietnamese manufacturing enterprises. Such evidence suggests that SMA should not be regarded as a universally standardized accounting system; instead, its relevance depends on the organizational and environmental circumstances in which strategic decisions are made.

Existing evidence also indicates that the use of SMA is associated with organizational performance, although the relationship is not necessarily uniform across performance dimensions and organizational contexts. Ojra et al. (2021), through a systematic review of SMA research, identified substantial evidence linking the use of strategic management accounting practices with organizational performance while emphasizing that performance effects are shaped by contingency factors. The review also highlights that SMA can support organizations by providing externally oriented financial and non-financial information required for strategy formulation, monitoring, and competitive positioning. Nevertheless, previous findings vary according to the measures of performance, types of SMA practices, organizational settings, and environmental conditions examined.

A key mechanism through which SMA may contribute to performance is improved strategic decision-making. Information concerning costs, customers, competitors, markets, and value-creating activities allows managers to evaluate strategic alternatives with greater contextual understanding. Strategic management accounting therefore extends the role of accountants beyond transaction recording and operational control toward participation in strategic analysis and decision support. Nik Abdullah et al. (2022) demonstrate that SMA research increasingly emphasizes the integration of accounting practices with organizational strategy and competitive analysis. Their systematic review also shows considerable diversity in the adoption and application of

SMA techniques, indicating that organizations select particular practices according to their strategic and informational needs.

The alignment between management accounting practices and business strategy is another important determinant of organizational outcomes. Jukka (2023) demonstrates that organizational performance depends partly on the fit between business strategy and the type of management control system employed. The study found that different strategic orientations performed better when combined with appropriate forms of management control, reinforcing the contingency argument that the effectiveness of accounting and control systems depends on strategic alignment. This evidence has important implications for SMA because strategic accounting information is most useful when it supports, rather than operates separately from, the organization's strategic direction.

Competitive conditions further influence the performance implications of management accounting practices. Baird et al. (2024), using data from 505 financial managers in the United States, found that the role of traditional and contemporary management accounting practices differed according to competitive intensity and organizational strategy. Contemporary practices such as activity-based management, the Balanced Scorecard, value-chain analysis, and strategic cost management were particularly relevant under specific combinations of competitive intensity and strategic orientation. Their findings demonstrate that management accounting practices can assist organizations in responding to competitive pressures, but also show that the same practices may not produce identical outcomes in all strategic environments.

The strategic contribution of SMA has also expanded beyond conventional financial performance. Contemporary organizations increasingly incorporate sustainability, environmental responsibility, and broader stakeholder considerations into strategic decision-making. Pumiviset and Suttipun (2024), examining green manufacturing companies in Thailand, provide evidence concerning the relationship between SMA and sustainable performance across economic, environmental, and social dimensions. This development indicates that SMA can function as an information system for broader forms of organizational value creation rather than merely supporting cost reduction or short-term profitability.

Despite the growing literature, several conceptual and empirical challenges remain. First, SMA encompasses a heterogeneous set of practices rather than a single standardized technique. Consequently, studies frequently differ in the practices classified as SMA and in the intensity with which those practices are used. Second, organizational performance is multidimensional and has been operationalized using financial, non-financial, market, operational, competitive, and sustainability indicators. Third, contingency factors such as competitive intensity, business strategy, organizational structure, technology, environmental uncertainty, and management competence can alter the effectiveness of SMA. These differences make it difficult to interpret SMA as having a simple and universally positive direct effect on organizational performance (Ojra et al., 2021; Nguyen et al., 2023; Baird et al., 2024).

Previous reviews have significantly advanced understanding of SMA practices and their performance implications. However, continued changes in competitive environments and the emergence of more recent evidence concerning strategic alignment, competitive forces, organizational sustainability, and contemporary management accounting practices create a need to integrate these developments. An updated synthesis can help explain not only whether SMA is associated with performance but also how strategic accounting practices generate organizational value and under what conditions their performance contribution is strengthened or constrained.

Accordingly, this study aims to synthesize the existing literature concerning strategic management accounting and organizational performance in dynamic business environments. Specifically, the review addresses three research questions: (1) which SMA practices and information characteristics are most relevant to strategic management; (2) through what mechanisms does SMA contribute to financial and non-financial organizational performance; and (3) which strategic, organizational, and environmental conditions influence the effectiveness of SMA? By integrating evidence from management accounting and strategic management research, this study seeks to develop a clearer understanding of SMA as an interface between accounting information and managerial strategy and to identify the conditions under which it can contribute to sustainable organizational performance.

2. Method

2.1 Review Design and Literature Search

This study employed an integrative literature review to synthesize theoretical and empirical evidence concerning strategic management accounting (SMA) and organizational performance. This approach was selected because SMA research involves diverse accounting practices, organizational settings, theoretical perspectives, and performance measures. Integrative reviews allow heterogeneous findings to be compared and organized into a coherent conceptual understanding (Whittemore & Knafl, 2005; Torraco, 2016). The review process also followed the principle of methodological transparency recommended by Snyder (2019).

Literature identification focused on peer-reviewed journal articles published predominantly between 2016 and 2026. Earlier publications were retained only when they provided essential methodological or theoretical foundations. Search terms included combinations of "strategic management accounting," "strategic management accounting practices," "strategic costing," "competitor accounting," "customer accounting," "strategic performance measurement," "management control," "business strategy," "organizational performance," "competitive intensity," and "environmental uncertainty."

Priority was given to publications whose authorship, title, journal information, publication year, and DOI could be verified through official journal or publisher records.

2.2 Inclusion, Extraction, and Synthesis

Studies were included when they examined SMA or strategically oriented management accounting practices in relation to organizational strategy, managerial decision-making, management control, competitive conditions, or organizational performance. Studies focusing exclusively on financial accounting, technically isolated accounting procedures, non-peer-reviewed sources, duplicate publications, or sources without sufficient bibliographic information were excluded.

Relevant information was organized according to research context, SMA practices, strategic variables, performance outcomes, and major findings. The literature was then synthesized thematically around four dimensions: strategic accounting information, managerial decision-making, organizational performance, and contingency conditions affecting SMA effectiveness.

Because the studies employed heterogeneous constructs, methods, organizational contexts, and performance indicators, no meta-analysis was performed. Instead, findings were compared conceptually to identify consistent patterns as well as differences across organizational environments.

Table 1. Literature Review Protocol

Component	Review Criteria
Review type	Integrative literature review
Main focus	Strategic management accounting and organizational performance
Main publication period	2016–2026
Sources	Peer-reviewed journal articles
SMA concepts	Strategic costing, competitor and customer accounting, strategic performance measurement, management control
Strategic concepts	Business strategy, competitive intensity, environmental uncertainty
Outcomes	Financial, non-financial, competitive, operational, and sustainable performance
Analysis	Thematic and comparative synthesis
Verification	Bibliographic data and DOI checked through journal or publisher records

3. Results and Discussion

3.1 Strategic Role of Management Accounting

The literature indicates that SMA extends conventional management accounting by incorporating externally oriented, forward-looking, and strategically relevant information. Rather than focusing solely on historical costs and internal budgeting, SMA integrates information about competitors, customers, markets, value chains, and long-term strategic objectives. Common practices include strategic costing, competitor accounting, customer accounting, benchmarking, strategic pricing, value-chain analysis, and strategic performance measurement (Ojra et al., 2021; Nik Abdullah et al., 2022).

This strategic orientation increases the relevance of accounting information for managerial decision-making. Managers can use SMA information to evaluate alternative strategies, allocate resources, monitor competitive conditions, and assess organizational performance from both financial and non-financial perspectives. Consequently, SMA functions not merely as an accounting technique but as an information mechanism connecting accounting activities with strategic management.

3.2 Strategic Management Accounting and Organizational Performance

The reviewed evidence generally indicates a positive relationship between strategically oriented management accounting practices and organizational performance, although the strength of the relationship differs across organizational contexts.

Ojra et al. (2021) show that SMA practices have been associated with organizational performance across a range of previous studies, particularly when accounting information supports strategic planning and competitive positioning. Nik Abdullah et al. (2022) similarly demonstrate that SMA research increasingly emphasizes the role of accounting information in supporting strategy and organizational competitiveness.

More recent studies further suggest that performance benefits depend on the alignment between accounting practices and organizational strategy. Jukka (2023) demonstrates that organizational performance is influenced by the fit between business strategy and management control systems. This supports the view that SMA is more effective when accounting information is designed to complement the strategic orientation of the organization.

Table 2. Selected Evidence on SMA and Organizational Performance

Study	Main Focus	Key Contribution
Ojra et al. (2021)	SMA, contingency factors, and performance	SMA practices are generally associated with organizational performance, but effects depend on contextual conditions
Nik Abdullah et al. (2022)	Systematic review of SMA	SMA supports strategic analysis through financial and non-financial information
Nguyen et al. (2023)	Contingency factors and SMA adoption	Competition, structure, technology, strategy, and market instability influence SMA application
Jukka (2023)	Strategy and management control	Performance benefits depend on alignment between strategy and control systems
Baird et al. (2024)	Management accounting,	Effectiveness of accounting practices varies according to competitive intensity and

	competition, and strategy	strategic orientation
Pumiviset and Suttipun (2024)	SMA and sustainable performance	SMA is relevant to economic, environmental, and social performance

The findings suggest that SMA contributes to organizational performance through several mechanisms. Strategic costing can improve resource allocation and cost management, competitor and customer accounting can strengthen market understanding, while strategic performance measurement can help managers monitor progress toward long-term objectives. These mechanisms indicate that SMA creates value when accounting information is actively incorporated into planning, control, and strategic decision-making.

3.3 Contingency Factors and Dynamic Business Environments

The literature also demonstrates that SMA effectiveness is context-dependent. Nguyen et al. (2023) found that competitive intensity, organizational structure, technology, business strategy, and perceived market instability influence the application of SMA. This supports the contingency perspective, according to which no single accounting system is equally effective across all organizations.

Competitive intensity is particularly important in dynamic business environments. Baird et al. (2024) show that traditional and contemporary management accounting practices differ in their usefulness depending on competitive conditions and organizational strategy. Contemporary practices such as strategic cost management, value-chain analysis, activity-based management, and strategic performance measurement may become more relevant when firms face strong competitive pressure and require more detailed strategic information.

Environmental uncertainty also increases the importance of forward-looking and externally oriented information. When customer preferences, technologies, regulations, and competitive structures change rapidly, historical accounting information alone may provide insufficient support for managerial decisions. SMA can therefore assist organizations in monitoring changes and adapting strategic responses.

3.4 Strategic Integration and Broader Performance Outcomes

Another important finding is that the role of SMA is expanding beyond short-term financial outcomes. Contemporary organizations increasingly consider operational, competitive, environmental, and social dimensions of performance. Pumiviset and Suttipun (2024) provide evidence that SMA is relevant to sustainable performance, suggesting that strategic accounting information can support decisions concerning broader organizational objectives.

Overall, the synthesis indicates that the relationship between SMA and organizational performance can be represented through three interconnected stages:

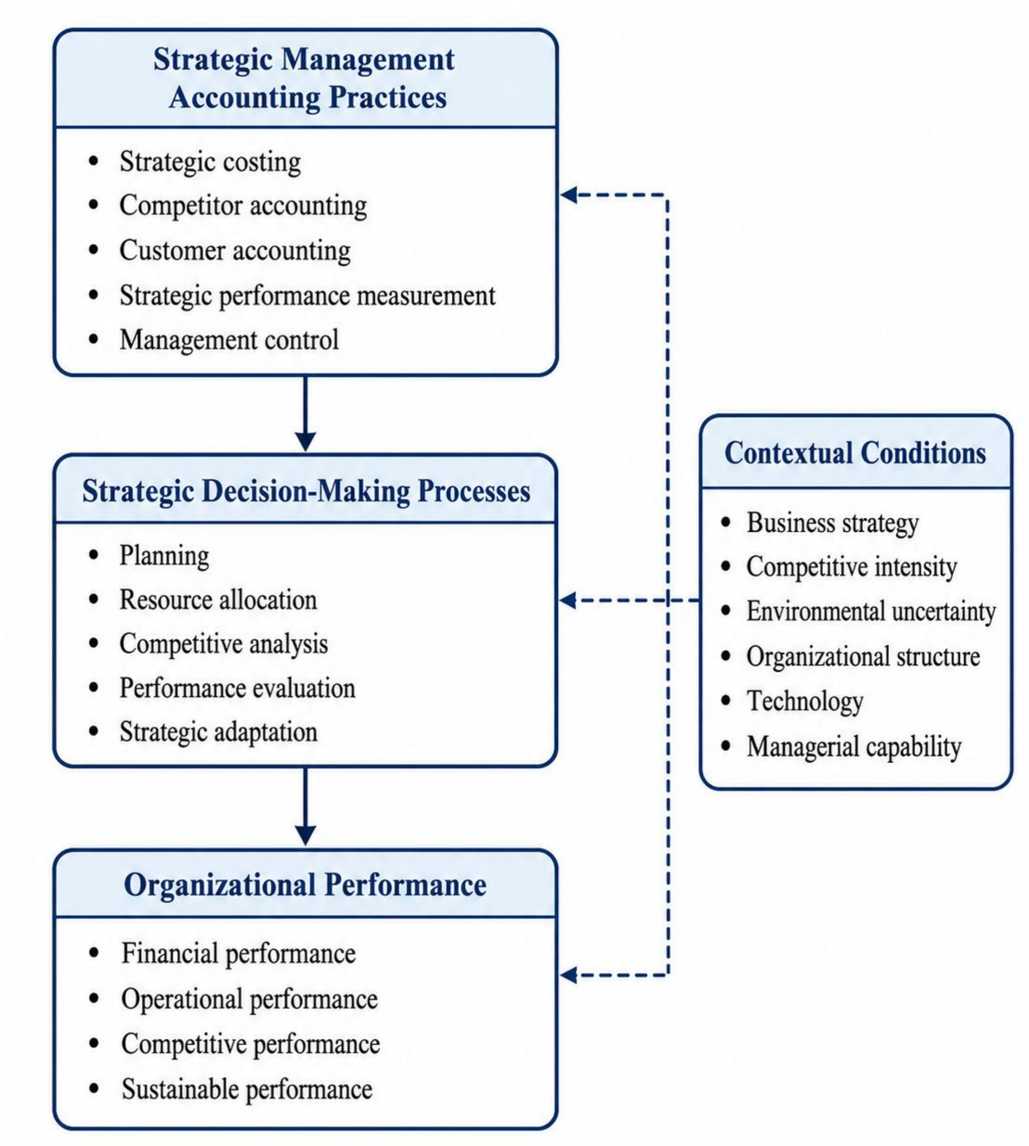

Figure 1. Integrative Framework of Strategic Management Accounting and Organizational Performance

This framework emphasizes that SMA does not influence performance independently. Its contribution depends on how accounting information is integrated into strategic decisions and whether the accounting system is aligned with organizational and environmental conditions.

From a managerial perspective, organizations should therefore avoid adopting SMA techniques merely because they are considered contemporary accounting practices. Managers should select and combine accounting practices according to strategic objectives, competitive pressures, information requirements, and organizational capabilities. Accounting professionals should also participate more actively in strategic analysis rather than remaining limited to conventional reporting and cost-control functions.

4. Conclusion

This integrative literature review demonstrates that strategic management accounting plays an important role in connecting accounting information with managerial strategy and organizational performance. SMA extends conventional management accounting by incorporating externally oriented, forward-looking, financial, and non-financial information that can support strategic costing, competitive analysis, resource allocation, performance evaluation, and long-term decision-making.

The reviewed evidence generally supports a positive relationship between SMA and organizational performance, but the relationship is conditional rather than universal. Business strategy, competitive intensity, environmental uncertainty, organizational structure, technology, and managerial capability influence the extent to which SMA contributes to organizational outcomes. The effectiveness of SMA therefore depends on its alignment with the strategic and environmental characteristics of the organization.

The synthesis also indicates that SMA can contribute to broader performance dimensions beyond traditional financial outcomes, including competitive, operational, and sustainable performance. Organizations are consequently encouraged to position management accounting as an integral component of strategic management rather than merely as a technical reporting or cost-control function.

Future research should further examine how digital technologies, changing competitive environments, sustainability requirements, and differences across industries influence the development and effectiveness of SMA. Comparative and longitudinal research may also provide stronger evidence regarding how strategic management accounting contributes to organizational performance over time.

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