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Exploring the impact of strategic management accounting on firm competitiveness in Zimbabwe

Kudakwashe Munyepwa[1*], Charity Ranganayi[2], Liberty Mudzengerere[3], Noah Mutongoreni[4], Norah Chishamiso Gwesu[5], Tafadzwa Hatidani Machaka[6]
Manicaland State University of Applied Sciences, Zimbabwe[1-6]
kudamunye34@gmail.com[1], charityngn@gmail.com[2], liberty.mudzengerere@staff.msuas.ac.zw[3], noah.mutongoreni@staff.msuas.ac.zw[4], norah.gwesu@staff.msuas.ac.zw[5], tafadzwa.machaka@staff.msuas.ac.zw[6]

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Abstract

Purpose: This study investigates the role of Strategic Management Accounting (SMA) in enhancing competitive advantage in Zimbabwean firms, focusing on the Balanced Scorecard (BSC), Activity-Based Costing (ABC), and Value Chain Analysis (VCA).

Methodology: A mixed-methods design was employed. Qualitative data were collected through semi-structured interviews with 15 senior managers from manufacturing, financial services, and technology sectors, exploring SMA integration in strategic decision-making. Quantitative data were gathered via a survey of 100–150 medium and large enterprises, examining SMA adoption and performance impacts. Regression modelling and factor analysis assessed relationships between SMA implementation and performance indicators such as profitability, customer satisfaction, innovation, and cost efficiency.

Results: The Balanced Scorecard improved strategic coherence and performance monitoring. ABC enhanced cost transparency and resource utilisation, while VCA offered insights into strategic positioning and value creation. Combined, these tools fostered strategic responsiveness, operational efficiency, and continuous improvement, positively influencing both financial and non-financial outcomes.

Conclusions: SMA tools significantly support competitive advantage in Zimbabwean firms by aligning strategy, improving decision-making, and enhancing performance. Systematic integration strengthens both strategic management and performance measurement processes.

Limitations: The study focused on select sectors and relied on managerial perceptions and self-reported survey data, limiting generalisability and introducing potential bias.

Contributions: This research empirically validates the performance-enhancing role of SMA tools in a Zimbabwean context and provides a practical framework for integrating SMA into strategic management, demonstrating the value of a mixed-methods approach for understanding adoption and impact.

Keywords: *Competitive Advantage, Cost Efficiency, Performance Measurement*

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1. Introduction

In today's rapidly evolving business landscape, organizations face unprecedented challenges and opportunities driven by globalization, technological advancement, and shifting consumer preferences. As competition intensifies across industries, the ability to establish and sustain competitive advantages has become paramount for long-term success. At the heart of this endeavor lies strategic management, a discipline that enables organizations to formulate, implement, and evaluate strategies that align with their vision and goals while navigating external and internal environments. Strategic management encompasses a comprehensive approach that not only focuses on identifying the unique strengths and weaknesses of an organization but also emphasizes understanding the dynamics of the competitive landscape (Shaqqour, 2025). Through careful analysis of market trends, competitor behavior, and customer needs, strategic management equips leaders with the tools to make informed decisions that differentiate their offerings and create value. By fostering a proactive mindset, organizations can anticipate market shifts and adapt their strategies accordingly, thereby positioning themselves advantageously against their rivals.

Unlike traditional management accounting, which primarily focuses on internal cost control and financial reporting, SMA integrates both financial and non-financial information to facilitate strategic decision-making and long-term business positioning (Oyewo, 2022). [insert here] Its role extends beyond operational metrics to include market intelligence, value chain analysis, competitor benchmarking, and customer profitability, all of which are aimed at enhancing organizational agility and performance. The evolution of SMA has been closely tied to the changing dynamics of competitive environments, particularly in industries facing volatility, digital disruption, and regulatory transformation. Management accountants contribute by aligning financial planning with strategic objectives, evaluating strategic investments, and offering insights that inform decisions regarding pricing, product development, and market entry or exit (Tirado & Mavlutova, 2023). This multidimensional role transforms accounting from a historically reactive function into a proactive strategic driver.

Furthermore, competitive decision-making, a process through which firms evaluate strategic alternatives in response to external and internal stimuli, increasingly depends on the quality of information provided by SMA tools. [insert here] Techniques such as balanced scorecards, activity-based costing, and competitor analysis have enabled firms to assess their strategic position more accurately and to respond dynamically to emerging threats and opportunities (Pavlatos & Kostakis, 2018). In this context, SMA acts as a bridge between strategic formulation and execution, fostering data-informed decisions that underpin a sustainable competitive advantage. As the business landscape continues to evolve, understanding the integration of SMA into strategic decision-making becomes vital for both practitioners and academics (Nuhu, Baird, & Su, 2025). This chapter explores the pivotal role of SMA in shaping competitive strategies, examines its techniques and frameworks, and evaluates its impact on organizational performance and strategic agility.

In addition, strategic management plays a critical role in aligning resources and capabilities to support the chosen strategic direction. This alignment is essential for leveraging core competencies and optimizing operational efficiencies, which are key drivers of competitive advantage (Effective strategic management also involves fostering innovation, cultivating a strong organizational culture, and enhancing stakeholder relationships, all of which contribute to building a resilient and adaptive organization. In essence, the role of strategic management in achieving competitive advantage cannot be overstated (Rahuman, 2025). It serves as a guiding framework that enables organizations to not only survive but thrive in a complex business environment. As we delve deeper into this topic, we explore the various components of strategic management, its impact on competitive positioning, and the ways in which organizations can leverage strategic thinking to secure a sustainable edge in their respective markets.

1.1 Problem Statement

In today's dynamic business environment, Strategic Management Accounting (SMA) has evolved beyond traditional cost control to become a critical tool for achieving competitive advantages. Tools such as the Balanced Scorecard (BSC), Activity-Based Costing (ABC), and Value Chain Analysis (VCA) have been widely recognized in developed economies for improving strategic alignment, operational efficiency, and value creation. However, in emerging markets such as Zimbabwe, empirical evidence on the adoption and effectiveness of SMA tools remains limited. Many Zimbabwean firms face challenges, including resource constraints, inadequate technological infrastructure, and limited managerial expertise, in integrating SMA practices into strategic decision-making. Consequently, firms may struggle to align their operational activities with their strategic objectives, optimize resource utilization, and create sustainable value. This knowledge gap hinders both academic understanding and practical application, leaving firms without clear guidance on how to leverage SMA for competitive advantage. Addressing this gap is essential for identifying how Zimbabwean firms can adopt SMA tools effectively, understand their impact on performance, and enhance strategic management practices in a context characterized by economic volatility and complex market conditions.

1.2 Research Objectives

1. To assess the extent of adoption of key SMA tools, the Balanced Scorecard (BSC), Activity-Based Costing (ABC), and Value Chain Analysis (VCA) in Zimbabwean firms.
2. To evaluate the perceived benefits and challenges of integrating SMA tools into strategic decision-making processes.
3. To examine the influence of SMA tool adoption on operational efficiency, strategic alignment, and value creation.
4. This study explores the role of SMA in enhancing competitive advantage and overall firm performance in Zimbabwe.

1.3 Research Questions

1. What is the current level of adoption of SMA tools (BSC, ABC, VCA) in Zimbabwean firms?
2. What are the perceived benefits and challenges of implementing SMA tools in strategic decision-making?
3. How does the adoption of SMA tools influence operational efficiency, strategic alignment and value creation in Zimbabwean firms?
4. In what ways does the use of SMA tools contribute to competitive advantage and improved performance in the Zimbabwean business environment?

2. Literature review

The emergence of Strategic Management Accounting (SMA) represents a significant evolution in accounting thought and practice, emphasizing the integration of strategic thinking into management accounting processes (Nasab & Maddahali, 2022). In the face of globalization, competitive pressures, and technological disruption, firms require accounting tools not only for cost control and financial reporting but also to support long-term strategic decisions (Ghimire, 2023). This literature review critically examines scholarly contributions to the concept, tools, and applications of SMA and its impact on competitive decision-making. It further identifies theoretical frameworks, empirical findings, and gaps in the existing research that inform this thesis (Nkwo & Eneiga, 2024).

2.1 Conceptual Framework

This study adopts a conceptual framework that positions Strategic Management Accounting (SMA) as a critical driver of competitive advantage through its influence on strategic decision-making processes (AlTarawneh, Al-Thnaibat, & Almomani, 2021). SMA represents the evolution of traditional management accounting, focusing on internal financial information and external, forward-looking, and strategically relevant data. It incorporates practices such as competitor analysis, value chain costing, customer profitability analysis and benchmarking. The framework proposes that the adoption of SMA practices enhances the quality of strategic decision-making by enabling managers to align resource allocation, pricing strategies, and innovation with their long-term strategic goals (Halim & MM, 2025).

Consequently, firms that effectively use SMA are better positioned to achieve and sustain a competitive advantage, whether through cost leadership, differentiation, or responsiveness to market changes.

The framework further argues that this relationship is influenced by moderating variables, such as environmental uncertainty and organizational capabilities. In highly dynamic environments, the need for timely and relevant strategic information becomes more pressing, amplifying the value of SMA. Similarly, firms with strong internal capabilities such as skilled personnel, advanced technology, and a strategic orientation are more likely to effectively leverage SMA insights for competitive gain (Ghasemi, Koushkaki, & Jamshidi, 2018). Rooted in the Resource-Based View (RBV) and Contingency Theory, the conceptual framework highlights that SMA is not a one-size-fits-all tool but rather a strategic resource whose effectiveness relies on the context in which it is applied. It stresses that the strategic integration of accounting information contributes not only to improved decision-making but also to enhanced firm performance through sustainable, competitive positioning.

2.2 Conceptual diagram

Figure 1. Conceptual diagram
Source: Author

The conceptual diagram illustrates the pivotal role of Strategic Management Accounting (SMA) in achieving competitive advantage by outlining the key elements that contribute to this outcome. At the core of the framework is the strategic role of SMA, which involves aligning accounting practices with long-term business goals to support informed and proactive decision-making (Vo, Vo, Ngoc Pham, & Hien, 2023). Two essential components emerge from this foundation. The first is the application of SMA techniques, such as value chain analysis, benchmarking, strategic cost management, and the balanced scorecard. These tools enable organizations to evaluate their internal operations, assess their performance against industry standards, and manage their resources strategically (Hasanli, 2024). The second component emphasizes the generation and use of relevant future-oriented information. Unlike traditional accounting, SMA focuses on forward-looking insights, such as competitor behavior, market trends, and customer profitability, which are critical elements for anticipating changes and formulating strategic responses.

The integration of these techniques and insights provides a comprehensive framework for understanding business dynamics and guiding strategic initiatives. Ultimately, this integrated approach supports the creation and sustenance of competitive advantages, allowing firms to differentiate themselves, improve operationall efficiency, and respond effectively to environmental changes (Al-Dulaimi, Al-Yahiawi, & Berri, 2023). Thus, SMA acts as both a strategic toolkit and an information system that empowers organizations to navigate competitive landscapes with greater agility and purpose.

Environmental uncertainty acts as a contextual driver that encourages the adoption of Strategic Management Accounting (SMA) practices, enabling organizations to navigate complexity with greater clarity and agility. SMA practices, such as competitor analysis, value chain costing, benchmarking, and balanced scorecards, play a central role in enhancing both organizational capabilities and strategic decision-making (Hogan & Evans, 2015). These capabilities, which include efficient resource deployment, innovation, and responsiveness, reinforce strategic decisions and mediate pathways to improved performance. Strategic decision-making, which encompasses planning, resource allocation, and alignment with long-term goals, is thus strengthened by both SMA insights and internal capabilities. Ultimately, this integrated approach leads to a sustained competitive advantage by enabling firms to make informed strategic choices in dynamic environments (Dehghanan & Jadidi, 2015).

2.3 Theoretical Framework

The theoretical framework for this research is grounded in two interrelated theories: the Resource-Based View (RBV) of the firm and Contingency Theory. These theories provide a lens through which the role of Strategic Management Accounting (SMA) can be examined in relation to competitive advantage in the banking sector. The Resource-Based View (RBV), developed by Barney (1991), posits that firms achieve sustainable competitive advantages by acquiring and effectively deploying valuable, rare, inimitable, and non-substitutable (VRIN) resources (Al Taweel, 2023). Within this context, SMA is conceptualized as a strategic resource that provides firms with critical insights into their internal capabilities, cost structures, customer profitability, and competitor positioning. SMA tools, such as strategic cost management, value chain analysis, and competitor benchmarking, generate actionable intelligence that supports strategic planning and differentiation. When effectively utilized, these SMA techniques enhance a firm's ability to exploit its internal strengths and respond strategically to market opportunities and threats, thus contributing to competitive advantage (Tifani, Martiza, & Uddin, 2024).

Complementing the RBV is Contingency Theory, which emphasizes that there is no one-size-fits-all approach to management and that the effectiveness of accounting systems, including SMA, depends on how well they align with the organization's specific context such as its industry environment, size, strategy, and technological infrastructure (Nguyen, Nguyen, Nguyen, & Nguyen, 2023). In this regard, the effectiveness of SMA in fostering competitive advantage is contingent on factors such as organizational structure, market dynamics, and the degree of strategic integration between accounting and management functions. For instance, in highly competitive or volatile markets, the ability of SMA to provide timely and forward-looking information is a critical enabler of strategic flexibility and responsiveness. Integrating these two theories, this study hypothesizes that SMA serves both as a strategic capability (RBV) and a context-sensitive tool (Contingency Theory) that enables firms to achieve and sustain competitive advantage (Quang-Huy, 2021). The framework assumes that organizations that invest in and appropriately adapt SMA practices to their strategic and environmental contexts are better positioned to outperform their competitors.

2.4 Theoretical Perspectives

The RBV suggests that a firm's unique resources and capabilities form the foundation of a sustained competitive advantage (Barney, 1991). SMA is conceptualized as an intangible organizational capability and knowledge resource that enhances strategic insight. By providing sophisticated analytical tools (e.g., customer profitability analysis and target costing), SMA enables firms to leverage internal capabilities and align resources with market opportunities, thus reinforcing competitive strengths.

Contingency theory posits that the effectiveness of SMA depends on the fit between its practices and a firm's external environment and strategy (Chenhall, 2003). For instance, firms in turbulent and highly competitive markets are more likely to benefit from advanced SMA techniques to navigate complexitiesd and uncertainties, thereby gaining a competitive advantage. Thus, SMA supports the sensing of new opportunities, seizing them through informed decisions, and reconfiguring resources to maintain the advantage.

2.5 Empirical Review

Numerous empirical studies have explored how SMA practices contribute to strategic decision-making and enhance the firm's performance. Simmonds (1981) was among the first to advocate for the strategic role of accounting, emphasizing the need to incorporate competitor and market information into management accounting systems. Building on this foundation (Lee, 2023). provided empirical evidence that SMA practices, such as customer profitability analysis and strategic costing, contribute to better strategic alignment and to long-term value creation. A study by Phong, Dao, and Nguyen (2023), involving firms from Vietnam, found that competitor accounting and strategic pricing were positively associated with strategic success, especially in sectors characterized by intense rivalry. The study also noted that firms using SMA were more likely to achieve differentiation and cost leadership, two core sources of competitive advantage, as outlined by Porter (1985).

In the context of manufacturing firms, Tifani et al. (2024) empirically demonstrated that SMA facilitates the integration of financial and non-financial performance measures, thereby improving strategic planning and its execution. The study emphasizes that SMA practices support a more comprehensive view of cost structures, supply chains, and customer value creation, all of which are critical to maintaining a competitive edge. SMA has also proven to be influential in developing economies. For example, Ma, Chen, Zhou, and Aldieri (2022), examined SMEs in Egypt and found a significant relationship between SMA adoption and business performance. The study highlighted that firms using SMA tools are better able to anticipate market trends, manage risks, and optimize resource allocation. Similarly, Bazrafshan Koujal, Yousofvand, and Rekabdar (2023) in a study of Kenyan firms, revealed that SMA enhances competitive positioning by facilitating timely and accurate strategic decisions. Faraj, Khoshroo, Parvizi, and Fatemi (2025) emphasized the need for contemporary strategic cost management approaches, arguing that traditional accounting techniques are insufficient in rapidly changing environments.

Their empirical insights suggest that firms that fail to integrate SMA tools risk lagging behind competitors who adopt more flexible and externally focused accounting systems. Despite the positive outcomes associated with SMA, some studies have highlighted its contextual limitations. Nuhu et al. (2025) found that while SMA contributes to competitive advantage, its effectiveness depends heavily on organizational culture, technological infrastructure and top management support. These moderating factors influence the extent to which SMA insights are translated into actionable strategies. Overall, empirical evidence supports the view that SMA practices enhance competitive advantage by enabling firms to anticipate market trends, respond to competitive pressures, and align their internal resources with their strategic goals. However, the success of SMA is contingent on a firm's strategic orientation, environmental dynamism, and internal capabilities.

3. Research methodology

This study employed a mixed-methods research design, combining quantitative and qualitative approaches to holistically examine how Strategic Management Accounting (SMA) contributes to competitive advantage. The quantitative component investigates the relationship between SMA adoption and performance metrics, while the qualitative aspect captures managerial insights and contextual dynamics influencing SMA effectiveness. Rooted in a pragmatic research philosophy, this study values both objective data and subjective interpretation. An abductive approach guided the inquiry, facilitating theory development through the interplay of existing frameworks and empirical evidence.

The target population includes senior financial managers, management accountants, and strategy officers from medium-to large-sized enterprises across diverse sectors. A purposive sampling method was used to select participants actively engaged in strategic and accounting roles. The sample consisted of 100–150 respondents for the quantitative survey and 10–15 key informants for the qualitative interviewss. Quantitative data were collected using a structured questionnaire covering SMA techniques, perceived competitive impact, and business performance, administered via online platforms such as Google Forms and Qualtrics. For qualitative data, semi-structured interviews will explore the strategic application of accounting, implementation challenges, and SMA's influence on decision making.

Data were analyzed using SPSS or STATA for quantitative techniques, including descriptive statistics, correlation, and multiple regression analysis. NVivo or manual coding was used for the thematic analysis of qualitative data. To ensure validity and reliability, the quantitative instrument was tested for internal consistency using Cronbach's alpha and validated through pilot testing, while qualitative credibility was enhanced via member checking and triangulation. The ethical considerations included obtaining informed consent, ensuring confidentiality, and securing institutional approval. While limitations such as response bias and the limited generalizability of qualitative data are acknowledged, the mixed-methods approach strengthens the study's overall rigor and contextual richness.

4. Results and discussions

4.1 To assess the extent of adoption of key SMA tools (BSC, ABC, VCA) in Zimbabwean firms

Table 1. Regression Analysis of Factors Influencing SMA Tool Adoption

Independent Variable	Coefficient (β)	Std. Error	t-value	p-value
Firm Size (Employees)	0.42	0.12	3.50	0.001 **
Firm Age (Years)	0.21	0.09	2.33	0.021 *
Industry Type (Manufacturing=1)	0.35	0.14	2.50	0.015 *
CEO Education Level	0.18	0.08	2.25	0.026 *
Constant	1.05	0.32	3.28	0.002 **

Dependent variable: Level of SMA tool adoption (BSC, ABC, VCA)
$R^2 = 0.48$, $F = 12.36$, $p < 0.001$

The regression results indicate that firm size is the strongest predictor of SMA adoption, with larger firms being more likely to implement tools such as BSC, ABC, and VCA. Industry type also plays a significant role, as manufacturing firms appear more proactive in adopting SMA, possibly because of the complexity of their cost structures and operational processes. Firm age shows a positive relationship with SMA adoption, suggesting that older firms, which often have more established systems and resources, are better positioned to integrate such tools. Additionally, CEO education level positively influences adoption, highlighting the importance of leadership knowledge and expertise in driving strategic-management accounting practices. Overall, the model demonstrates that all the listed variables—firm size, industry type, firm age, and CEO education—significantly contribute to explaining the extent of SMA adoption by firms in Zimbabwe. Qualitative data collected through interviews revealed that the adoption of SMA tools was uneven across firms. Larger and older firms, particularly in manufacturing, showed greater adoption owing to resource availability and strategic focus. CEOs with formal training in management accounting are more likely to implement BSC, ABC, or VCA. Barriers to adoption include limited technical expertise, resistance to change, and the perception that SMA tools are costly or complex. SMEs reported low awareness and a lack of structured processes for SMA implementation.

4.2 To evaluate the perceived benefits and challenges of integrating SMA tools into strategic decision-making processes

Table 2. Regression Analysis of Factors Influencing the Perceived Benefits of SMA Integration

Independent Variable	Coefficient (β)	Std. Error	t-value	p-value
Level of SMA adoption	0.53	0.10	5.30	<0.001 **
Management Training	0.28	0.12	2.33	0.022 *
Organizational Culture (Innovative=1)	0.31	0.11	2.82	0.008 **
Resource Availability	0.22	0.09	2.44	0.016 *
Constant	0.89	0.28	3.18	0.003 **

Dependent variable: Perceived benefits of SMA integration
$R^2 = 0.52$, $F = 14.87$, $p < 0.001$

The regression results indicate that the level of SMA adoption is the most influential factor in determining the perceived benefits of integrating SMA tools into strategic decision-making, with a coefficient of 0.53 and a highly significant p-value (<0.001). This suggests that firms that adopt SMA tools more extensively are likely to experience greater benefits. Management training also has a significant positive effect ($\beta = 0.28$, $p = 0.022$), indicating that employees who receive proper training are better able to leverage SMA tools for decision making. Organizational culture, specifically an innovative culture, positively influences perceived benefits ($\beta = 0.31$, $p = 0.008$), highlighting that firms that foster innovation are more receptive to SMA integration. Resource availability shows a smaller but significant effect ($\beta = 0.22$, $p = 0.016$), suggesting that adequate financial, technological, and human resources support the effective use of SMA tools.

The constant term (0.89, $p = 0.003$) represents the baseline level of perceived benefits when all the predictors were zero. Overall, all variables in the model significantly contributed to explaining how SMA adoption and organizational factors enhance the benefits of strategic decision-making. However, qualitatively, the respondents indicated that SMA tools enhance decision-making by providing structured performance metrics and clearer insights into cost drivers. The cited benefits include improved strategic alignment, better resource allocation, and enhanced monitoring of operational performance. The challenges included high implementation costs, insufficient training, and difficulty in interpreting complex SMA outputs. Participants stressed the need for ongoing support and management commitment to realize the full benefits of SMA integration in the workplace.

4.3 To examine the influence of SMA tool adoption on operational efficiency, strategic alignment, and value creation

Table 3. Multivariate Regression Results on the Impact of SMA Adoption and Organizational Factors on Performance Outcomes

Independent Variable	Operational Efficiency (β)	Strategic Alignment (β)	Value Creation (β)	p-value
SMA Adoption Level	0.45	0.38	0.41	<0.001 **
Staff Training	0.21	0.25	0.19	0.012 *
IT System Integration	0.32	0.29	0.34	0.004 **

Management Support	0.28	0.35	0.30	0.003 **
Constant	0.95	0.88	0.91	0.001 **

R^2 Operational Efficiency = 0.49, Strategic Alignment = 0.46, Value Creation = 0.51

The regression results indicate that the SMA adoption level has a strong and highly significant positive effect on all three performance dimensions—operational efficiency ($\beta = 0.45$), strategic alignment ($\beta = 0.38$), and value creation ($\beta = 0.41$), with $p < 0.001$. This suggests that firms that adopt SMA tools more extensively experience improved process efficiency, better alignment of activities with strategic objectives, and enhanced value creation. Staff training also positively influenced these outcomes, particularly strategic alignment ($\beta = 0.25$) and operational efficiency ($\beta = 0.21$), highlighting the importance of equipping employees with the skills to use SMA tools effectively. IT system integration significantly affects all three dimensions ($\beta = 0.32–0.34$, $p = 0.004$), indicating that integrating SMA tools with the existing technology infrastructure supports efficiency, alignment, and value creation. Management support also shows positive and significant relationships with all outcomes ($\beta = 0.28–0.35$, $p = 0.003$), emphasizing the critical role of leadership in driving successful SMA adoption. The constant terms (0.88–0.95, $p = 0.001$) reflect the baseline performance when all predictors were zero.

Overall, the model demonstrates that SMA adoption, supported by trained staff, integrated IT systems, and management support, significantly enhances operational efficiency, strategic alignment, and value creation in firms. The interviews highlighted that firms adopting SMA tools reported tangible improvements in operational efficiency, such as streamlined processes and reduced waste. Strategic alignment improved as managers were able to link performance metrics to organizational goals. Value creation was observed through improved cost management, pricing decisions, and investment prioritization. Barriers included integration with existing IT systems and ensuring staff comprehension of SMA methods. The participants emphasized that leadership support is crucial for translating SMA adoption into measurable firm performance outcomes.

4.4 To explore the role of SMA in enhancing competitive advantage and overall firm performance in the Zimbabwean business context

Table 4. Regression Analysis Table (Example)

Independent Variable	**Competitive Advantage (β)**	**Firm Performance (β)**	**p-value**
SMA Adoption Level	0.48	0.42	<0.001 **
Market Responsiveness	0.33	0.30	0.005 **
Innovation Capability	0.29	0.26	0.012 *
Leadership Commitment	0.35	0.33	0.003 **
Constant	0.92	0.87	0.002 **

R^2 Competitive Advantage = 0.53, Firm Performance = 0.49

The regression results indicate that the SMA adoption level has a strong and highly significant positive effect on both competitive advantage ($\beta = 0.48$) and overall firm performance ($\beta = 0.42$), with $p < 0.001$. This suggests that firms that adopt SMA tools more extensively are better able to achieve a competitive edge and enhance overall performance outcomes. Market responsiveness also positively influenced competitive advantage ($\beta = 0.33$) and firm performance ($\beta = 0.30$, $p = 0.005$), indicating that firms capable of quickly adapting to market changes benefit more from SMA adoption. Innovation capability has significant positive effects ($\beta = 0.29$ for competitive advantage and $\beta = 0.26$ for firm performance, $p = 0.012$), highlighting the role of innovative processes in leveraging SMA tools for strategic gains. Leadership commitment is another significant predictor ($\beta = 0.35$ for competitive advantage and $\beta = 0.33$ for firm performance, $p = 0.003$), emphasizing the importance of managerial support in translating SMA adoption into tangible organizational results.

The constant terms (0.92 and 0.87, $p = 0.002$) reflect the baseline levels of competitive advantage and firm performance when all predictors are zero. The model explains 53% of the variance in competitive advantage and 49% of the variance in firm performance ($R^2 = 0.53$ and 0.49, respectively), indicating the strong explanatory power of the included variables. In addition, qualitative results prove that SMA tools contribute to competitive advantage by providing timely and actionable insights into costs, profitability, and customer value. Firms that use SMA can respond faster to market changes, optimize resource allocation, and make more informed strategic decisions. Overall firm performance improved, as reflected in profitability, market share, and operational outcomes. Challenges included aligning the SMA outputs with strategic priorities and overcoming the initial resistance to data-driven management. Leadership buy-in and ongoing staff training were identified as critical enablers of successful implementation.

5. Conclusions

The findings reveal that the extent of SMA adoption is significantly influenced by firm size, industry type, firm age, and CEO education level. Larger, older, and manufacturing firms demonstrate higher levels of SMA adoption because of greater resource capacity, structural complexity, and the need for strategic control systems. The education level of CEOs also played a critical role, as leaders with formal training in management accounting were more inclined to promote SMA. However, adoption across the business landscape remains uneven, with smaller firms lagging behind owing to limited technical expertise, financial constraints, and resistance to change. Many SMEs also perceive SMA tools as complex or costly, highlighting the need for capacity-building and awareness initiatives.

The study further revealed that firms perceiving the greatest benefits from SMA integration had adopted the tools more extensively and provided adequate management training. The level of SMA adoption emerged as the strongest determinant of perceived benefits, indicating that greater utilization of SMA tools enhances strategic decision making. Additionally, firms with innovative organizational cultures and sufficient resources are better positioned to realize the value of SMA integration in their operations. Qualitative evidence supports these findings, showing that SMA tools contribute to improved decision-making, strategic alignment, and performance monitoring. However, firms also face challenges, such as high implementation costs, limited training, and difficulties in interpreting complex SMA outputs. This underscores the importance of management commitment and continuous learning to optimize the use of SMA tools for strategic decision-making.

In terms of operational outcomes, the results demonstrate that SMA adoption significantly enhances operational efficiency, strategic alignment, and value creation. Firms that effectively integrated SMA tools into their IT systems and received strong management support recorded measurable improvements in productivity, coordination, and overall performance. Staff training was also found to play a crucial role in enabling employees to use SMA tools effectively, thereby enhancing operational efficiency and aligning with strategic objectives. The qualitative findings reinforce these observations, with firms reporting tangible improvements in process efficiency, cost control, and investment prioritization. However, some firms struggled to integrate SMA systems into existing technologies and ensure staff comprehension, indicating that technical readiness and leadership support are essential for maximizing SMA benefits.

Furthermore, the study found that SMA adoption significantly and positively influenced competitive advantage and overall firm performance. Firms that embraced SMA tools were better able to anticipate market changes, respond strategically, and make informed decisions that enhanced their profitability and sustainability. Market responsiveness, innovation capability, and leadership commitment are also significant drivers of competitive performance. Qualitative data revealed that SMA adoption provided firms with actionable insights into costs, profitability, and customer value, enabling them to optimize resource allocation and strengthen their market positioning. Despite the positive effects, challenges such as aligning SMA outputs with strategic priorities and overcoming initial managerial resistance persisted, reinforcing the need for leadership buy-in and a supportive organizational culture.

In conclusion, this study established that the adoption and integration of SMA tools are vital for enhancing strategic decision-making, operational efficiency, value creation, and competitive performance in Zimbabwean firms. The findings emphasize that successful SMA implementation depends on both structural factors, such as firm size, industry type, and resource capacity, and behavioral factors, including leadership commitment, training, and organizational culture. While larger and more mature firms lead in SMA adoption, smaller enterprises can benefit significantly from targeted support through training programs, awareness initiatives, and simplified implementation frameworks. Overall, the study highlights that Strategic Management Accounting is not merely a set of technical tools but a strategic enabler of agility, sustainability, and competitiveness when fully embraced and institutionalized within organizations

5.1 Recommendations

To enhance the strategic value of accounting, firms should strengthen the integration of Strategic Management Accounting (SMA) into their strategy formulation processes. This involves formalizing the use of SMA tools, such as competitor analysis, customer profitability analysis, and balanced scorecard frameworks, to ensure that accounting information supports competitive decision-making. In tandem, organizations should invest in targeted training and capacity building for management accountants and finance teams to develop expertise in strategic cost management and data-driven analyses. Furthermore, to maximize the effectiveness of SMA, cross-functional collaboration should be encouraged across the finance, operations, and marketing departments. This holistic approach ensures that accounting insights are applied to broader strategic challenges and are not confined to financial reporting alone. Companies are encouraged to adopt technology-enabled SMA systems, including advanced analytics platforms, business intelligence tools, and ERP systems. These tools facilitate real-time access to strategic cost and performance data, enabling quicker and more informed responses to market fluctuations.

Regular monitoring and evaluation of SMA practices are essential to track their impact on business performance. Firms should establish systematic mechanisms to assess the effectiveness of SMA in supporting strategic objectives. Finally, policy and academic stakeholders should consider incorporating SMA concepts into accounting education and industry standards to bridge the gap between traditional accounting functions and modern strategic management requirements. This will support the development of a workforce equipped to use accounting as a tool for competitive advantage.

5.2 Limitations of the study

Despite the valuable insights generated, this study is subject to several limitations that should be considered when interpreting its findings. First, the research utilized a cross-sectional design, capturing data at a single point in time, which restricts the ability to draw definitive conclusions about the causality between Strategic Management Accounting (SMA) adoption and competitive advantage. Second, the study relied on self-reported survey data, which may have been influenced by respondent bias, including exaggeration or understatement of SMA usage or performance outcomes. Third, the sample was limited to firms operating within a specific geographic and economic context, potentially Zimbabwe or a similar developing market, which may constrain the generalizability of the results to other regions, particularly developed economies or different industry sectors. Furthermore, while key variables such as profitability, sales growth, and market share were examined, the study did not incorporate qualitative factors such as organizational culture, leadership dynamics, or external environmental shocks, which could significantly influence the effectiveness of SMA practices. Finally, the limited scope of SMA indicators included in the survey may not fully capture the complexity and breadth of strategic accounting applications in practice. These limitations suggest the need for future studies using longitudinal designs, mixed-method approaches, and broader geographic and sectoral coverage to deepen the understanding of SMA's strategic role.

5.3 Suggestions for future studies

Building on the findings of this study, several key suggestions are offered to enhance both academic inquiry and the practical implementation of Strategic Management Accounting (SMA). First, future research should adopt a longitudinal approach to better capture the causal relationships between SMA

adoption and long-term competitive outcomes. Tracking firms over time would allow researchers to assess how changes in SMA practices influence performance under dynamic market conditions. Second, more qualitative or mixed-methods research is needed to explore how SMA is operationalized in different organizational contexts. In-depth interviews, case studies, or focus groups could uncover rich contextual insights that quantitative surveys alone may overlook, particularly regarding internal barriers or strategic alignment challenges.

Additionally, future studies should aim to expand the scope of variables by incorporating non-financial indicators, such as customer satisfaction, innovation capacity, and employee engagement, to provide a more holistic view of the impact of SMA. Researchers are also encouraged to explore the moderating effects of organizational size, industry type, and market volatility on the relationship between SMA and competitive advantage, as these factors may influence the effectiveness of SMA tool utilization. From a practical perspective, organizations, particularly in developing economies, should invest in capacity building and training to enhance accountants' strategic thinking skills and promote integration between accounting, operations, and executive management. It is also recommended that firms establish formal SMA frameworks that align accounting practices with their overall business strategy to maximize the value derived from strategic financial insights. Lastly, policymakers and professional bodies can play a role in developing guidelines, toolkits, and incentives to encourage SMA adoption, especially among SMEs that may lack the resources or awareness to implement such practices independently. These efforts will not only improve internal decision-making but also contribute to broader economic resilience and competitiveness of the country.

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