

## The Emergence Of Fintech On Cost Management In Malaysian Financial Institutions

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Article Info	Abstract
<p><b>Received</b> : 2023-10-24 <b>Accepted</b> : 2023-11-26 <b>Published</b> : 2023-11-27</p> <hr/> <p><b>Key words:</b> cost management, financial technology, fintech, financial institutions, management accounting.</p>	<p>A good cost management system is vital in ensuring that the final product or services costs does not reflect a large variance from budgeted financial targets. Over time, new information and technologies may be introduced which completely change the production method, business process or the product itself. The term "FinTech" has gained significant attention as a result of various influential factors, such as advancements in technology, the anticipation of business innovation within the market, the need for cost reduction, and the evolving demands of customers. The advent of new digital technologies has led to the automation of various financial activities, potentially offering more efficient and economically viable products across different segments of the financial industry. These segments include lending, asset management, portfolio advice, and the payment system. The main objective of this paper is to provide a synthesis of the impacts of fintech on cost management which will improve the firm value among financial institutions and to propose a framework on fintech and cost management. It is found that fintech provide the management with relevant, accurate and reliable information on the firm's critical success factors within and outside an organization related to cost management for long term periods.</p>

### INTRODUCTION

The significance of cost management influences organisations' performance and sustainability. The purpose of cost management by organisations is ultimately to minimise costs incurred through business activities. A good cost management system is vital in ensuring that the final product or services costs does not reflect a large variance from budgeted financial targets. Over time, new information and technologies may be introduced which can completely change an organisation's production method, business process or product (Stock & Seliger, 2016; Duman & Akdemir, 2021). Thus, firms are constantly on the lookout for innovative processes and technology that can enhance the efficiency and effectiveness of business processes and smoothen workflow which in turn will bring down the organisation's costs.

The term "financial technology" or "FinTech" pertains to the utilisation of technology for the purpose of providing financial solutions for business matters. The integration of financial services and information technology, commonly referred to as FinTech, is widely perceived as a contemporary phenomenon. According to Wigglesworth (2016), FinTech is regarded as a significant investment for the majority of competitive financial institutions. According to Arner et al. (2015), the field of Financial Technology (FinTech) encompasses five key domains: finance and investment, operations and risk management, payments and infrastructure, data security and monetization, and customer interface. FinTech has become a trendy term due to a number of driven forces, which include technical development, business innovation expectations on market, cost-saving requirements, and customer demands (Gai et al., 2018). The advent of new digital technologies has led to the automation of various financial activities, thereby potentially offering more efficient and cost-effective products within different segments