

Assessing Strategic Management Accounting Practices in Public Interest Companies in Malaysia

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Article Info	Abstract
<p>Received : 2020-01-08 Accepted : 2020-01-09 Published : 2020-01-28</p> <hr/> <p>Key words: public interest companies; government-linked companies; strategic management accounting; management accounting</p>	<p>Strategic management accounting (SMA) practices play important roles in supporting decision making and strategic plan positioning in a firm. SMA practices comprise a range of useful and relevant techniques to facilitate a firm's value. Through these techniques, a firm would be able to achieve competitive advantage and sustain economic growth, which leads to long-term performance. Recently, the role of SMA techniques in enhancing business performance has become the focus of many studies, unfortunately, studies that accessing the adoption of SMA practices in organizations particularly in Malaysia are not widely available. Hence, the purpose of this paper is to investigate the extent of SMA practices in public interest companies in Malaysia called Government Linked Companies (GLCs). Through SPSS analysis of data collected from 215 questionnaires, the study shows that top management of GLCs has a better understanding of SMA practices due to extensive use of SMA techniques which discovered from the findings and believe that it can benefit their organization. This paper has enriched the literature and provided an assessment of SMA practices for researchers and practitioners which can improve competitiveness in the industry, business prosperity, and secure long-term performance.</p>

Introduction

Strategic management accounting (SMA) is argued to be one of the accounting practices needed to create value (Abdullah and Said, 2016). Although SMA practices are widely embraced by many countries, such as Australia and Europe; but in the local context, the practices of SMA not broadly adopted. A study by Sulaiman et al. (2004) concluded that there are many firms that still adopt conventional management accounting techniques, this condition occurs due to lack of awareness, expertise, and top management support. While Yap et al. (2013) found that the adoption rates for SMA practices by Malaysian companies were comparatively lower than in other countries. However, in manufacturing industries such as Electrical and Electronics companies, it is found that certain SMA techniques are widely used (Nordin et al., 2009). Due to this uncertainty level of SMA usage in Malaysia context, it is important to discover the extent of SMA practices among Malaysia public interest companies which are known as Government Linked Companies (GLCs).

GLCs contributed extensively towards the development of economic growth of the nation by improving the quality of life for Malaysians society such as a large scale of infrastructure (Abdullah, 2019; Abdullah and Said, 2016; Ahmad et al., 2017). Thus, this study emphasized on SMA practices in GLCs due to the importance of having it in every GLCs as it reflects on long-term performance, business sustainability and environmentally with competitive advantages. The specific focus should give to GLCs due to its uniqueness. Indeed, GLCs are unique from other entities with their government ownerships. Thus, GLCs are not only significant for the Malaysian economy but also sustain its long-term performance, they will be able to continuously create value for its shareholders through dividend pay-out that effects on the total shareholder's return.