

MANAGEMENT ACCOUNTING'S EFFECT ON ORGANIZATIONAL PERFORMANCE: THE DYNAMICS OF STRATEGIC DECISION MAKING



PSYCHOLOGY AND EDUCATION: A MULTIDISCIPLINARY JOURNAL

Volume: 41

Issue 9

Pages: 1051-1059

Document ID: 2025PEMJ4023

DOI: 10.70838/pemj.410907

Manuscript Accepted: 06-05-2025

Management Accounting's Effect on Organizational Performance: The Dynamics of Strategic Decision Making

Jiomarie B. Jesus,* Jaypee Y. Zoilo, Manolito C. Alsola, Marylou Cortez-Roncales,
Jhoronnie Gayl Bontes, Marivic L. Pogado

For affiliations and correspondence, see the last page.

Abstract

In an increasingly complex business environment, organizations are under growing pressure to enhance performance through data-driven strategies and agile decision-making. Management accounting has emerged as a pivotal function that extends beyond traditional financial control to support strategic execution and organizational alignment. This study investigates the effect of management accounting practices on organizational performance, with strategic decision-making analyzed as a mediating variable—a relationship that remains underexplored in existing literature. While previous studies have examined the individual effects of management accounting tools and decision-making quality, few have empirically tested their dynamic interaction within a unified model. The study adopts a descriptive-correlational design to address this gap, surveying 300 finance professionals and executives from medium to large enterprises in Metro Cebu, Philippines. Data were gathered using a structured questionnaire and analyzed through SPSS version 25 and Hayes' PROCESS macro (Model 4) to assess both direct and indirect effects among variables. Results indicate that management accounting significantly predicts organizational performance ($\beta = 0.685$, $p < .001$), and strategic decision-making partially mediates this relationship (indirect effect = 0.384, $p < .001$). The study further identifies performance measurement as the most influential accounting tool in guiding strategic outcomes. These findings offer empirical validation for the theoretical link between accounting practices and decision-driven performance enhancement. Moreover, sectoral differences in performance outcomes underscore the need for industry-specific customization of management accounting systems. The results carry practical value for organizations aiming to integrate accounting data more effectively into strategic planning and execution. This research advances current knowledge by positioning management accounting as a strategic enabler, not merely a financial support function, and lays the groundwork for future studies involving digital transformation and behavioral dimensions of decision-making.

Keywords: *management accounting practices, strategic decision-making, organizational performance, performance measurement, accounting information systems*

Introduction

In today's dynamic and competitive global business landscape, the role of management accounting has shifted from a traditional cost-control function to a strategic mechanism for driving performance and innovation. As organizations face heightened uncertainty, accelerated digital transformation, and increasing stakeholder demands, the need for accurate, timely, and strategically relevant accounting information has become more critical than ever (Ermawati, 2023; Hariyati et al., 2023). Management accounting systems now serve not only to measure financial health but also to support long-term planning, competitive positioning, and strategic decision-making. Despite this shift, many firms still struggle to leverage accounting data effectively for strategic purposes, limiting its impact on broader organizational outcomes. This disconnect highlights the importance of understanding how accounting insights can be fully integrated into the decision-making process.

Existing literature recognizes the importance of strategic management accounting in business operations, yet empirical studies linking specific accounting practices to organizational performance remain limited (Nik Abdullah et al., 2022). While systematic reviews have identified performance measurement, budgeting, and cost analysis as key tools, there is insufficient evidence on how these tools translate into real-world decision-making dynamics. Moreover, few studies have examined the mediating role of strategic decision-making in the accounting-performance relationship, leaving a critical theoretical and practical gap. This lack of integration between accounting systems and strategic choices is especially problematic in fast-changing industries where agility is essential. Understanding this interface is vital for optimizing both the effectiveness of accounting functions and the outcomes of strategic leadership.

Recent studies suggest that performance-driven accounting systems can significantly enhance decision quality, especially when aligned with enterprise risk management and organizational planning models (Hristov et al., 2024). This alignment becomes more impactful in organizations that embed management accounting within digital infrastructures and analytics-driven environments (Bhima et al., 2023; Jesus et al., 2024). The use of performance dashboards, real-time data, and predictive analytics is transforming how managers interpret accounting information and make timely strategic decisions. However, the extent to which these modern accounting systems affect organizational performance through decision-making remains underexplored. As such, a more nuanced understanding is needed to quantify this relationship and guide practical applications across industries.

This study addresses these research gaps by investigating the effect of management accounting on organizational performance, with strategic decision-making as a mediating variable. It seeks to identify which accounting practices—such as budgeting, variance

analysis, and performance measurement—are most influential in shaping decision quality and driving firm-level success. By employing quantitative methods, the study provides empirical validation for these relationships, offering data-driven insights that extend existing literature. This approach also allows for the examination of industry-specific variations, recognizing that accounting's impact may differ based on contextual factors such as structure, regulation, and market dynamics (Nik Abdullah et al., 2022; Hariyati et al., 2023). Through this lens, the study aims to generate both theoretical contributions and actionable guidance for practitioners.

The practical value of this research lies in its potential to reposition management accounting as a core component of strategic execution rather than a peripheral support function. By highlighting the role of decision-making as a bridge between accounting and performance, the study offers a new framework for enhancing organizational effectiveness. It encourages firms to invest in decision-capable accounting systems and empower managers with the skills to interpret and apply accounting data strategically (Bhima et al., 2023). Additionally, the findings can inform policy and training interventions aimed at strengthening the strategic role of accountants in different sectors. Ultimately, this research contributes to a broader understanding of how integrated accounting practices can drive sustainable growth and long-term organizational success.

Research Objectives

This study aimed to investigate the overarching effect of management accounting on organizational performance, particularly through the mediating lens of strategic decision-making. By examining this relationship, the study sought to offer empirical insights that enhance both theoretical understanding and practical applications in strategic financial management.

1. To determine the impact of management accounting practices, such as budgeting, performance measurement, and variance analysis, on organizational performance.
2. To analyze the mediating role of strategic decision-making in the relationship between management accounting practices and organizational performance.
3. To identify which management accounting components most significantly affect decision-making dynamics across different industry sectors.

Literature Review

Management Accounting Practices

Management accounting practices have progressively transitioned from basic cost-tracking mechanisms to strategic tools that facilitate performance measurement, sustainability integration, and informed decision-making. Palazzi et al. (2023) argue that the effectiveness of these practices is influenced by organizational size, with larger firms demonstrating a stronger alignment between strategic intent and accounting systems. In emerging economies, however, Nagirikandalage et al. (2023) observe that small and medium-sized enterprises often encounter limitations in adopting environmental management accounting due to constrained resources and institutional barriers. Within the public sector, Bracci et al. (2022) emphasize the growing role of management accounting in supporting risk management and enhancing organizational transparency. Despite these advancements, empirical research remains limited in establishing how management accounting contributes to organizational performance through the quality of strategic decision-making. Much of the literature focuses on isolated accounting tools without fully exploring their dynamic interaction with decision-making processes.

Strategic Decision-Making

Strategic decision-making is increasingly recognized as a critical factor in translating management accounting insights into tangible organizational outcomes. In dynamic and uncertain environments, the quality and agility of decision-making processes can determine a firm's ability to sustain competitive advantage and align operations with long-term strategic goals. Ma et al. (2022) emphasized that in small and medium-sized enterprises (SMEs) in emerging markets, strategic decision-making is significantly shaped by the availability and application of management accounting information. Their case study in China illustrates that when decision-makers effectively utilize strategic management accounting tools, such as performance analysis and cost forecasting, organizational performance improves, particularly in resource-constrained settings. Moreover, the integration of emerging technologies into accounting information systems has enhanced firms' capacity to make informed and flexible strategic decisions. Yoshikuni et al. (2023) found that digital transformation within accounting systems improves decision-making performance by enabling faster access to real-time data, predictive insights, and scenario analysis. These capabilities, in turn, support greater strategic flexibility, allowing organizations to adapt their decisions to rapidly changing market conditions. Despite these advancements, existing research has yet to fully explore the mediating role of decision-making in the link between management accounting and organizational performance.

Organizational Performance

Organizational performance is a multidimensional construct that encompasses financial outcomes, operational efficiency, innovation capacity, and sustainability impact. Within the context of management accounting, performance is increasingly viewed as the result of how well accounting practices are aligned with strategic and operational goals. Vale et al. (2022), in their systematic review of management accounting in higher education institutions, highlighted that robust accounting and control mechanisms positively

influence institutional performance by promoting transparency, accountability, and informed decision-making. Their findings suggest that performance outcomes are not solely financial but also tied to how effectively resources are allocated and monitored in support of strategic objectives. Hanif et al. (2023) further extended this perspective by demonstrating that environmental management accounting, combined with green transformational leadership, enhances corporate environmental performance through green process innovation. Their study reinforces the idea that management accounting serves as a foundation for strategic transformation and performance enhancement, particularly when supported by leadership and innovation mechanisms. Despite these insights, current literature remains limited in empirically testing how traditional and strategic accounting practices influence broader organizational performance beyond sustainability or education contexts.

Methodology

Research Design

This study employed a descriptive-correlational research design to examine the effect of management accounting practices on organizational performance, with strategic decision-making as a mediating variable. The descriptive component allowed the researcher to systematically profile respondents and describe the extent to which management accounting tools, such as budgeting, performance measurement, variance analysis, and strategic decision-making, are applied within organizations. The correlational aspect enabled the analysis of statistical relationships among the core variables without manipulating any of them. A descriptive-correlational design is particularly appropriate when the objective is to explore associations between variables as they exist in natural settings, without the need for experimental control or random assignment (Creswell & Creswell, 2018). This approach allows researchers to draw inferences about the strength and direction of relationships while maintaining ecological validity (Flick, 2018). In this context, it facilitates a practical understanding of how accounting practices interact with decision-making processes to influence performance across different industries. The design also aligns with the study's aim of offering actionable, real-world insights based on patterns observed among finance professionals and decision-makers (Nik Abdullah et al., 2022; Yoshikuni et al., 2023).

Respondents

The study was conducted in Metro Cebu, Philippines, a key economic hub characterized by a concentration of medium to large enterprises across sectors such as manufacturing, services, retail, and financial services. A total of 300 respondents participated in the study, including finance managers, senior accountants, operations or strategic managers, and top-level executives who are directly involved in the implementation of management accounting systems and strategic decision-making processes. The locale was purposefully chosen due to its dynamic organizational landscape and accessibility to qualified professionals relevant to the study's focus. To ensure broad representation and minimize sampling bias, a stratified random sampling technique was employed, grouping participants based on organizational roles and industry sectors. This approach enhanced the generalizability of findings by capturing sectoral diversity and managerial perspectives. The resulting sample exhibited a balanced demographic profile, with a strong presence of mid-career professionals across varied industries, thereby supporting the study's goal of examining the real-world integration of management accounting and strategic performance practices.

Instrument

The data collection instrument used in this study was a self-constructed structured questionnaire, specifically designed to measure three core constructs: management accounting practices, strategic decision-making, and organizational performance. The instrument was developed based on an extensive review of the literature, drawing on validated frameworks and indicators from previous empirical studies (e.g., Alabdullah, 2022; Bao et al., 2023). The questionnaire consisted of 21 items divided across the three main constructs: 8 items for management accounting practices, 7 items for strategic decision-making, and 6 items for organizational performance. Each item was measured using a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), to capture the level of agreement with each statement. The Likert scale format was chosen for its simplicity, reliability, and suitability in capturing attitudinal and perceptual data (Pallant, 2020).

To ensure content validity, the instrument underwent expert validation by a panel of three scholars in the fields of management accounting and strategic management. Their feedback was used to refine item phrasing, eliminate redundancy, and improve conceptual clarity. A pilot test was conducted with 30 respondents—excluded from the main sample—to evaluate the instrument's reliability and coherence. The pilot results indicated strong internal consistency across all constructs. For the final administration, Cronbach's alpha coefficients were computed: 0.912 for management accounting practices, 0.901 for strategic decision-making, and 0.876 for organizational performance, indicating excellent reliability (Field, 2018). These values exceeded the standard threshold of 0.70 recommended by Pallant (2020) and Creswell and Creswell (2018), affirming the instrument's robustness.

The questionnaire was administered using a hybrid mode, combining online distribution via Google Forms and printed survey forms for organizations that preferred hard copies. This dual-mode approach ensured wider reach and accessibility, especially among high-level executives with varying communication preferences. Respondents were assured of the anonymity and confidentiality of their responses, and the estimated completion time was 10–12 minutes. The instrument was standardized by providing uniform instructions to all participants and maintaining consistency in the order of questions, layout, and response format, thereby minimizing potential

biases due to misinterpretation or variation in administration procedures.

The development and deployment of the instrument followed best practices in survey design, ensuring that the tool was methodologically sound, psychometrically reliable, and ethically appropriate for use in organizational settings. It served as a critical foundation for the study's ability to draw valid inferences about the mediating role of strategic decision-making in the relationship between accounting practices and organizational performance.

Procedure

The data collection process was carried out in a structured and ethically sound manner to ensure the validity and reliability of the findings. Before data collection, the researchers secured ethical clearance from the Institutional Research Ethics Review Committee of the host academic institution, in compliance with established ethical standards. All participants were provided with informed consent forms that emphasized the voluntary and confidential nature of their participation. The final questionnaire was developed through expert validation and subjected to a pilot test involving 30 professionals with similar profiles to the intended respondents. Their feedback led to the refinement of item wording, layout, and clarity, ensuring that the final instrument was comprehensible, contextually relevant, and aligned with the study's objectives (Pallant, 2020; Creswell & Creswell, 2018).

Respondents were selected through a stratified random sampling technique to ensure proportional representation across sectors and managerial levels. A total of 300 finance managers, senior accountants, operations or strategic managers, and top executives from medium to large enterprises in Metro Cebu were targeted due to their direct involvement in management accounting and strategic decision-making. The questionnaire was distributed using a hybrid approach—both digitally via Google Forms and in printed format—to accommodate different organizational settings and respondent preferences. All participants were given one week to complete the survey, with follow-up reminders sent midway through the response window to ensure high completion rates.

Upon retrieval, the data were carefully screened for completeness, accuracy, and duplication. Valid responses were encoded in Microsoft Excel and imported into IBM SPSS Statistics Version 25 for analysis. Descriptive statistics were used to summarize demographic data and main study variables. Reliability was assessed using Cronbach's alpha, while the Kaiser-Meyer-Olkin (KMO) measure confirmed sampling adequacy. To evaluate the relationships among variables and test the mediating role of strategic decision-making, the study employed Hayes' PROCESS Macro (Model 4), a widely accepted method for testing mediation in quantitative research (Field, 2018). This comprehensive and stepwise approach ensured methodological rigor, data integrity, and alignment with best practices in organizational research.

Data Analysis

Data were analyzed using SPSS version 25, with the aid of Hayes' PROCESS macro for mediation testing. Descriptive statistics (means, standard deviations, frequencies, and percentages) were computed to summarize the demographic and variable distributions. Reliability was established using Cronbach's alpha, and sampling adequacy was assessed through the Kaiser-Meyer-Olkin (KMO) measure. Pearson correlation analysis was conducted to explore the bivariate relationships among the study variables, followed by multiple regression to test direct effects. Mediation analysis (Model 4 in PROCESS) was used to determine whether strategic decision-making significantly mediates the relationship between management accounting practices and organizational performance.

Ethical Considerations

Ethical standards were rigorously observed throughout the research process. Informed consent was obtained from all respondents, who were assured of the voluntary, anonymous, and confidential nature of their participation. The study posed no risk to participants, and data were used solely for academic purposes. The research protocol adhered to the ethical guidelines of the host academic institution and was approved by its Institutional Research Ethics Review Committee. Data privacy was respected following Philippine data protection laws and ethical norms governing human subjects' research.

Results and Discussion

Table 1. *Demographic Profile of Respondents (n = 300)*

<i>Demographic Variable</i>	<i>Category</i>	<i>Frequency (f)</i>	<i>Percentage (%)</i>
1. Gender	Male	165	55.00
	Female	135	45.00
2. Age	25–34 years	90	30.00
	35–44 years	120	40.00
	45–54 years	60	20.00
	55 years and above	30	10.00
3. Position in Organization	Finance Manager	100	33.33
	Senior Accountant	80	26.67
	Operations/Strategic Manager	60	20.00
	CEO/Top Executive	60	20.00
4. Years in Current Position	Less than 5 years	120	40.00
	5–10 years	105	35.00



5. Industry Sector	More than 10 years	75	25.00
	Manufacturing	90	30.00
	Services	75	25.00
	Retail/Wholesale	60	20.00
	Financial Services	45	15.00
	Others	30	10.00

Table 1 presents a well-distributed demographic profile of respondents, reflecting diverse perspectives essential to evaluating the impact of management accounting on organizational performance. The dominance of mid-career professionals aged 35–44 (40%) and the presence of strategic decision-makers, including finance managers (33.3%) and executives (20%), ensure relevance and depth in assessing accounting’s influence on performance outcomes. With representation from key industries—manufacturing (30%), services (25%), and finance (15%)—the dataset captures sectoral variations in accounting practice effectiveness, addressing contextual gaps identified in prior research (Abu Afifa & Saleh, 2022; Deb et al., 2022). These findings imply that the study’s goal—to understand the dynamics of strategic decision-making concerning management accounting—is grounded in empirically valid, industry-representative insights. Ultimately, the table addresses the literature gap on how demographic and positional diversity influences the use and impact of management accounting tools in strategic contexts.

Table 2. Descriptive Statistics of Main Variables (n = 300)

Variable	Indicators	Mean (M)	Standard Deviation (SD)	Interpretation
Management Accounting Practices	Budgeting, cost control, KPI tracking, variance analysis	4.12	0.54	High
Strategic Decision-Making	Use of data, risk evaluation, and planning consistency	4.08	0.61	High
Organizational Performance	ROI, productivity, innovation, customer satisfaction	3.95	0.66	Moderately High

Legend: 1.00–1.79: Very Low; 1.80–2.59: Low; 2.60–3.39: Moderate; 3.40–4.19: High; 4.20–5.00: Very High

Table 2 reveals that management accounting practices (M = 4.12, SD = 0.54) and strategic decision-making (M = 4.08, SD = 0.61) are both perceived at a high level, while organizational performance is rated moderately high (M = 3.95, SD = 0.66). These results suggest that accounting tools such as budgeting and KPI tracking are consistently applied and inform strategic decisions with significant organizational impact. The table supports the study’s goal by empirically establishing the strength of management accounting in shaping decision-making processes and, consequently, performance outcomes. It addresses the gap in recent literature by providing updated evidence on the connection between accounting practices, strategic agility, and performance (Alabdullah, 2022; Astuti & Augustine, 2022). This descriptive insight reinforces the theoretical foundation for exploring mediation effects and validates the relevance of accounting in dynamic strategic contexts.

Table 3. Reliability and Validity Results of Constructs

Construct	No. of Items	Cronbach’s Alpha (α)	KMO Value	Interpretation
Management Accounting Practices	8	0.912	0.885	Excellent reliability and sampling adequacy
Strategic Decision-Making	7	0.901	0.861	Excellent reliability and sampling adequacy
Organizational Performance	6	0.876	0.843	Very good reliability and adequacy

Interpretation Guide

Cronbach’s Alpha: ≥ 0.70 acceptable, ≥ 0.80 good, ≥ 0.90 excellent
 KMO (Kaiser-Meyer-Olkin): ≥ 0.70 good, ≥ 0.80 great, ≥ 0.90 superb

Table 3 demonstrates that all constructs—management accounting practices (α = 0.912, KMO = 0.885), strategic decision-making (α = 0.901, KMO = 0.861), and organizational performance (α = 0.876, KMO = 0.843)—exhibited excellent internal consistency and strong sampling adequacy. These results confirm that the instrument used in the study is both psychometrically sound and methodologically robust, providing a reliable basis for subsequent analyses.

This reinforces the study’s goal of empirically examining the dynamic interplay between accounting systems, decision-making processes, and performance outcomes. The findings address a critical gap in current literature by offering validated measures that align with evolving management accounting standards and sustainability considerations (Papiorek & Hiebl, 2024; Appannan et al., 2023). Thus, the table provides foundational statistical assurance, enabling more accurate modeling of relationships in strategic accounting research.

Table 4. Correlation Matrix of Major Variables (n = 300)

Variables	1. Management Accounting	2. Strategic Decision-Making	3. Organizational Performance
1. Management Accounting	1	.712**	.685**
2. Strategic Decision-Making	.712**	1	.749**
3. Organizational Performance	.685**	.749**	1

Note: p < .01 (2-tailed), ** indicates high significance



Table 4 reveals strong, statistically significant correlations among the core variables: management accounting is positively associated with strategic decision-making ($r = .712, p < .01$) and organizational performance ($r = .685, p < .01$), while strategic decision-making shows the highest correlation with performance ($r = .749, p < .01$). These relationships suggest that effective accounting practices are closely linked to improved decision quality, which in turn enhances performance outcomes. The table supports the study’s goal by empirically confirming that strategic decision-making acts as a critical link between accounting practices and organizational success. This addresses a key gap in the literature concerning the quantifiable impact of management accountants’ analytical contributions on decision quality and performance (Franke & Hiebl, 2023; Nielsen, 2022). The findings provide a robust empirical foundation for testing mediation effects and refining performance strategies through accounting-informed decisions.

Table 5. Regression Analysis: Effect of Management Accounting on Organizational Performance ($n = 300$)

Predictor Variable	Unstandardized Coefficient (B)	Standardized Beta (β)	t-value	p-value	Interpretation
(Constant)	1.228	—	4.932	0	Significant constant
Management Accounting	0.653	0.685	14.295	0	Significant positive predictor
R ²	0.469				Moderate-to-strong model fit
F-value	204.35			0	Model is statistically significant

Table 5 shows that management accounting significantly predicts organizational performance, with a standardized beta of 0.685 ($p < .001$) and an R² value of 0.469, indicating that nearly 47% of the variance in performance is explained by accounting practices. The strong t-value (14.295) and significant F-statistic (204.35) confirm the model’s predictive strength and reliability. This directly supports the study’s objective by quantifying the impact of accounting systems on performance outcomes, demonstrating their strategic value in organizational success. The result addresses a research gap on how core accounting practices, beyond contextual or environmental factors, independently influence performance across industries (Dahal, 2022; Oyewo, 2022). Therefore, this table empirically reinforces the strategic role of accounting in enhancing performance and informs evidence-based improvements in managerial practice.

Table 6. Mediation Analysis Using PROCESS Model 4 ($n = 300$) Mediator: Strategic Decision-Making

Path	Coefficient (B)	SE	t-value	p-value	Interpretation
Step 1: MA → OP (Direct Path)	0.653	0.05	14.3	0	Significant direct effect
Step 2: MA → SDM (a-path)	0.781	0.04	20.55	0	Management accounting strongly predicts SDM
Step 3: SDM → OP (b-path)	0.492	0.05	10.93	0	SDM significantly predicts performance
Step 4: MA → OP (c'-path, with SDM)	0.269	0.05	5.17	0	Direct effect reduced, still significant
Indirect Effect (a × b)	0.384	0.03	—	.000 (Boot CI)	Significant mediation confirmed

Table 6 confirms that strategic decision-making significantly mediates the relationship between management accounting and organizational performance, with a strong indirect effect of 0.384 ($p < .001$) and a reduced yet still significant direct effect ($B = 0.269, p < .001$). The high predictive value of management accounting on decision-making ($B = 0.781$) and the subsequent impact of decision-making on performance ($B = 0.492$) underscore the mediating mechanism. This finding aligns with the study’s goal by empirically validating that strategic decision-making serves as a critical conduit through which accounting practices enhance organizational outcomes. It addresses a key gap in existing research by demonstrating how decision quality, rather than accounting data alone, determines performance effectiveness (Asa’d et al., 2024; Bao et al., 2023). Consequently, the model highlights the need for organizations to integrate decision intelligence into accounting functions to fully leverage performance benefits.

Table 7. One-Way ANOVA: Organizational Performance Across Industry Sectors ($n = 300$)

Industry Sector	Mean Performance Score	Standard Deviation				
Manufacturing	4.15	0.52				
Services	3.88	0.61				
Retail/Wholesale	3.76	0.65				
Financial Services	4.22	0.47				
Others	3.59	0.71				
Source of Variation	SS	df	MS	F	p-value	Interpretation
Between Groups	8.94	4	2.24	6.1	0	Significant difference exists
Within Groups	107.92	295	0.37			
Total	116.86	299				

Table 7 shows a statistically significant difference in organizational performance across industry sectors ($F = 6.1, p < .001$), with financial services ($M = 4.22$) and manufacturing ($M = 4.15$) demonstrating superior outcomes. These findings indicate that certain industries may possess more advanced capabilities or infrastructure to apply management accounting practices effectively. The table supports the study’s objective by uncovering how sectoral contexts influence the translation of accounting insights into performance, offering empirical evidence for industry-tailored strategies. This addresses a research gap identified in recent literature, where the interaction between sector-specific challenges and accounting adoption remains underexplored (Ylä-Kujala et al., 2023; Akanbi et al.,

2022). Consequently, the results highlight the importance of customizing accounting interventions to industry characteristics to maximize their strategic and operational value.

Table 8. Summary of Hypotheses Testing Results ($n = 300$)

Hypothesis	Statement	Statistical Test	Result	Decision
H1	Management accounting practices significantly affect organizational performance.	Multiple Regression	$\beta = 0.685, p = .000$	Accepted
H2	Strategic decision-making mediates the relationship between management accounting and organizational performance.	Mediation Analysis (PROCESS)	Indirect Effect = 0.384, $p = .000$	Accepted
H3	Among accounting tools, performance measurement has the greatest impact on strategic decisions.	Component-level Regression	$\beta = 0.711$ (PM), $p = .000$	Accepted

Table 8 presents the summary of hypothesis testing, confirming that all proposed relationships are statistically significant and empirically supported. The acceptance of H1 ($\beta = 0.685, p < .001$) validates that management accounting directly enhances organizational performance, while H2 confirms the mediating role of strategic decision-making (indirect effect = 0.384, $p < .001$). Furthermore, H3 identifies performance measurement as the most influential accounting tool in guiding strategic choices ($\beta = 0.711, p < .001$). These findings advance the study's goal by isolating the mechanisms through which accounting practices influence performance and identifying which tools are most impactful. This table fills a critical gap by offering nuanced insights into tool-specific and mediating effects, which are often underexamined in sectoral and sustainability-focused studies (Vu et al., 2022; Asiaei et al., 2022).

Conclusions

This study confirms that management accounting practices have a significant and positive influence on organizational performance, with strategic decision-making serving as a vital mediating mechanism. The integration of accounting tools such as budgeting, variance analysis, and particularly performance measurement enhances the quality of strategic choices, thereby improving firm-level outcomes. Regression and mediation analyses demonstrate that a substantial portion of performance variation can be attributed to effective use of accounting information, reinforcing its role as a strategic driver rather than merely a reporting function. Notably, industry-specific differences in outcomes suggest that the effectiveness of accounting practices is context-dependent, requiring tailored strategies to optimize impact. In response to these insights, organizations are encouraged to align their accounting systems with strategic objectives by enhancing performance measurement frameworks and embedding decision-support tools into daily operations.

Capacity-building efforts such as continuous training for accounting professionals and managers should be prioritized to develop competencies in data interpretation and strategy execution. Furthermore, firms are advised to adopt digital accounting platforms and performance dashboards to facilitate real-time monitoring and responsive decision-making. Given sectoral variations, industry-specific customization of accounting tools, such as advanced cost forecasting in manufacturing or risk-adjusted reporting in financial services, should be implemented to meet contextual demands. Policymakers and corporate leaders must also recognize the strategic utility of management accounting in fostering sustainability, innovation, and competitive advantage. Finally, future research should explore the influence of emerging technologies and behavioral decision science to further clarify the pathways through which management accounting supports strategic leadership and long-term organizational success.

References

- Abu Afifa, M. M., & Saleh, I. (2022). Management accounting systems effectiveness, perceived environmental uncertainty and companies' performance: the case of Jordanian companies. *International Journal of Organizational Analysis*, 30(2), 259-288.
- Akanbi, T. A., Oladejo, M. O., & Oyeleye, O. A. (2022). Impact of Fintech (Financial Technologies) usage on the Financial and Non-Financial performance of Small and medium scale enterprises in Nigeria. *International Journal of Academic Research in Accounting Finance and Management Sciences*, 12(2), 306-316.
- Alabdullah, T. T. Y. (2022). Management accounting insight via a new perspective on risk management-companies' profitability relationship. *International Journal of Intelligent Enterprise*, 9(2), 244-257.
- Appannan, J. S., Mohd Said, R., Ong, T. S., & Senik, R. (2023). Promoting sustainable development through strategies, environmental management accounting and environmental performance. *Business Strategy and the Environment*, 32(4), 1914-1930.
- Asiaei, K., Bontis, N., Alizadeh, R., & Yaghoubi, M. (2022). Green intellectual capital and environmental management accounting: Natural resource orchestration in favor of environmental performance. *Business Strategy and the Environment*, 31(1), 76-93.
- Asa'd, M., Ahmad, W. N. W., & Ayoup, H. (2024). Environmental Management Accounting Information and Environmental Performance, the Mediating Effect of Environmental Decision Quality. *International Journal of Energy Economics and Policy*, 14(2),

562-573.

Astuti, W. A., & Augustine, Y. (2022). The effect of digital technology and agility on company performance with management accounting system as mediation. *International Journal of Research and Applied Technology (INJURATECH)*, 2(1), 11-29.

Bao, Z., Hashim, K. F., Almagrabi, A. O., & binti Hashim, H. (2023). Business intelligence impact on management accounting development given the role of mediation, decision type and environment. *Information Processing & Management*, 60(4), 103380.

Bhima, B., Zahra, A. R. A., Nurtino, T., & Firli, M. Z. (2023). Enhancing organizational efficiency through the integration of artificial intelligence in management information systems. *APTISI Transactions on Management*, 7(3), 282-289.

Bracci, E., Mouhcine, T., Rana, T., & Wickramasinghe, D. (2022). Risk management and management accounting control systems in public sector organizations: a systematic literature review. *Public Money & Management*, 42(6), 395-402.

Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). SAGE Publications.

Dahal, R. K. (2022). Management accounting practices and organizational performance. *Problems and Perspectives in Management*, 20(2), 33.

Deb, B. C., Rahman, M. M., & Rahman, M. S. (2022). The impact of environmental management accounting on environmental and financial performance: empirical evidence from Bangladesh. *Journal of Accounting & Organizational Change*, 19(3), 420-446.

Ermawati, Y. (2023). The Integral Role of Accounting in Organizational Dynamics and Decision-Making. *Advances in Applied Accounting Research*, 1(3), 160-169.

Flick, U. (2018). *An introduction to qualitative research* (6th ed.). SAGE Publications.

Franke, F., & Hiebl, M. R. (2023). Big data and decision quality: the role of management accountants' data analytics skills. *International Journal of Accounting & Information Management*, 31(1), 93-127.

Hanif, S., Ahmed, A., & Younas, N. (2023). Examining the impact of environmental management accounting practices and green transformational leadership on corporate environmental performance: the mediating role of green process innovation. *Journal of Cleaner Production*, 414, 137584.

Hariyati, H., Nuswantara, D. A., Hidayat, R. A., & Putikadea, I. (2023). Management accounting information system and intellectual capital: a way to increase SME's business performance. *Jurnal Siasat Bisnis*, 61-75.

Hristov, I., Camilli, R., Chirico, A., & Mechelli, A. (2024). The integration between enterprise risk management and performance management system: Managerial analysis and conceptual model to support strategic decision-making process. *Production Planning & Control*, 35(8), 842-855.

Jesus, J. B., Kilag, O. K. T., Gamboa, J. C. M., Solatorio, R. F., & Matis, P. J. A. (2024). Exploring the role of digital transformation in modern accounting and business practices: A systematic review. *International Multidisciplinary Journal of Research for Innovation, Sustainability, and Excellence*, 1(6), 896-902. <https://doi.org/10.5281/zenodo.11669590>.

Ma, L., Chen, X., Zhou, J., & Aldieri, L. (2022). Strategic management accounting in small and medium-sized enterprises in emerging countries and markets: A case study from China. *Economies*, 10(4), 74.

Nagirikandalage, P., Kooli, K., & Binsardi, A. (2023). Exploring the evolvement of environmental management accounting practices for achieving SMEs' sustainability in an emerging economy. *International Journal of Accounting, Auditing and Performance Evaluation*, 19(2), 203-219.

Nielsen, S. (2022). Management accounting and the concepts of exploratory data analysis and unsupervised machine learning: a literature study and future directions. *Journal of Accounting & Organizational Change*, 18(5), 811-853.

Nik Abdullah, N. H., Krishnan, S., Mohd Zakaria, A. A., & Morris, G. (2022). Strategic management accounting practices in business: A systematic review of the literature and future research directions. *Cogent Business & Management*, 9(1), 2093488.

Oyewo, B. (2022). Contextual factors moderating the impact of strategic management accounting on competitive advantage. *Journal of Applied Accounting Research*, 23(5), 921-949.

Palazzi, F., Sgrò, F., Ciambotti, M., Bontis, N., & Gelsomini, L. (2023). The moderating effect of corporate size on the relationship between prospector strategy and management accounting practices. *Journal of Management Control*, 34(2), 135-165.

Pallant, J. (2020). *SPSS survival manual: A step by step guide to data analysis using IBM SPSS* (7th ed.). Routledge.

Papiorek, K. L., & Hiebl, M. R. (2024). Information systems quality in management accounting and management control effectiveness. *Journal of Accounting & Organizational Change*, 20(3), 433-458.



Vale, J., Amaral, J., Abrantes, L., Leal, C., & Silva, R. (2022). Management accounting and control in higher education institutions: A systematic literature review. *Administrative Sciences*, 12(1), 14.

Vu, T. K. A., Dam, B. H., & Ha, T. T. V. (2022). Factors affecting the application of strategy management accounting in Vietnamese logistics enterprises. *Journal of Distribution Science*, 20(1), 27-39.

Ylä-Kujala, A., Kouhia-Kuusisto, K., Ikäheimonen, T., Laine, T., & Kärri, T. (2023). Management accounting adoption in small businesses: interfaces with challenges and performance. *Journal of Accounting & Organizational Change*, 19(6), 46-69.

Yoshikuni, A. C., Dwivedi, R., Dultra-de-Lima, R. G., Parisi, C., & Oyadomari, J. C. T. (2023). Role of emerging technologies in accounting information systems for achieving strategic flexibility through decision-making performance: an exploratory study based on North American and South American firms. *Global Journal of Flexible Systems Management*, 24(2), 199-218.

Affiliations and Corresponding Information

Jiomarie B. Jesus, MBA

Mandaue City College – Philippines

Jaypee Y. Zoilo, DBA

Benedicto College Inc.

Mandaue Campus – Philippines

Manolito C. Alsola, CPA, MBA

University of Cebu – Philippines

Marylou Cortez-Roncales, MBA

University of Cebu – Philippines

Atty. Jhoronnie Gayl Bontes, JD, MBA

University of Cebu – Philippines

Marivic L. Pogado, MBA

Alaska National High School

Department of Education – Philippines