



**The Importance of Strategic Cost Management in Enhancing the
Competitiveness of Organizations**

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Abstract

In present age of stiff global competition and high rate of technological change, organizations are finding more emphasis on strategies which promote efficiency, costs reduction, and competitiveness. Strategic Cost Management (SCM) is a method of critical managerial system that has become one of the key models that combine cost data and organizational strategy to enhance competitiveness and performance. This paper discusses the role of strategic cost management in improving performance of organizations in terms of their competitiveness through evaluating its role on efficiency, decision making and the overall performance of business. The study takes a quantitative research methodology that incorporates primary and secondary data. Data were gathered using structured questionnaires of 100 respondents who are managers, accountants as well as finance professionals. The data were analyzed using different statistical methods which included mean analysis, correlation and regression and to test the relationship between strategic cost management practices and organizational competitiveness. The results of the research show that the strategic use of cost management tools, including activity-based costing, value chain analysis and target costing, can make the operations much more efficient and enable the manager to make profitable decisions. The findings also show a positive correlation of strategic cost management and organizational competitiveness that is strong which implies that organizations that use the SCM

practices perform better in terms of profitability, market share and customer satisfaction. The research arrives at the conclusion that strategic cost management is not merely a control mechanism of cost but also a strategic tool that can help organizations to attain sustainable competitive advantage. To promote efficiency, maximise resource use and improve their competitive edge in the market, it is advisable that organisations should incorporate SCM practices in their strategic planning processes.

Keywords: Competitiveness of Organizations, Strategic Cost Management (SCM), Managerial Decision-Making, Activity-Based Costing (ABC).

1. Introduction

The modern global business world is a very competitive and dynamic market place that organizations are operating in. Competition between companies in various fields has escalated due to the increased globalization, development of technology and the changing expectations of customers. Consequently, organizations are ever in search of new ways of operating to increase efficiency, cut operational cost and better overall performance without compromising quality of products and services. Here, the cost management has emerged as a very crucial aspect of organizational sustainability and strategic planning. Strategic cost management (SCM) is among other managerial techniques that have become significant in assisting organizations to gain competitive advantage through incorporation of cost information alongside business strategy.

The traditional cost management systems were mainly concerned with the way to record and manage the costs in the internal organizational processes. These systems were mostly geared towards financial reporting and short term decision making and even focused on historical data of costs as opposed to strategic information that can be made in future. Nonetheless, in the current competitive world, these traditional methods are not adequate to organizations that want to remain strong in the market. Managers today have demanded detailed cost data that not only assists them in keeping track of costs, but also enable them to make strategic decisions, create values as well as to expand the organization in the long term. ^[1]

Strategic cost management goes beyond the traditional scope of cost accounting due to the focus it puts on the process of linking cost structures and organizational strategy. It is a process aimed at using cost information to aid a strategic decision, enhance operational efficiency, and generate customer and stakeholder value. The strategic management approach suggests that cost management needs not only to be targeted at minimizing costs but should also help in coming up with competitive strategies that improve organizational performance. In managing the use of cost, organizations are able to manage their cost drivers better and recognize inefficiencies and manage resources more efficiently by aligning the cost management practices with the overall business strategy.

John K. Shank and Vijay Govindarajan were one of the leaders in developing the idea of

strategic cost management by highlighting the necessity of establishing the connection between cost analysis and strategic positioning and value creation. Their contribution pointed out that cost management must look at the whole chain of value of an organization as opposed to only looking at internal production costs. Likewise, competitive strategy model that was put forward by Michael E. Porter also brought about the issue of value chain analysis whereby organizations can study different activities that create values to customers and opportunity to reduce the costs and create differentiation.^[2]

There are numerous methods and tools involved in strategic cost management and they are aimed at promoting lean cost management and organizational competitiveness. Such methods are activity-based costing, target costing, the life-cycle costing and value chain analysis among others. Activity-based costing, as an example, offers a more precise distribution of overhead costs as it identifies the activities that cause costs and hence managers can be able to know the real cost of products and services. Target costing aims at developing products within a set cost constraint depending on the market forces and the profit margins required. On the other hand, Life-cycle costing involves all kinds of costs of a product across the complete life cycle of the product design and development, production, distribution, and disposal.

Strategic cost administration practices can go a long way in enhancing competitiveness of an organization in the market. Organizations can minimize inefficiencies in their operations and streamline resource management by determining the cost drivers and removing non-value-adding processes. In addition to that, strategic cost management offers managers with useful information that aids in strategic decision-making regarding pricing, product development, outsourcing as well as investment planning. This enables the organizations to come up with cost leadership strategies, increase the quality of product and raise the customer satisfaction without losing profitability.^[3]

The other significant factor about strategic cost management is that it helps in supporting sustainable competitive advantage. The current knowledge-based economy has necessitated the need to have organizations constantly innovate and respond to the market, in order to be able to compete. Strategic cost management assists organizations in doing so by promoting the idea of continuous improvement, costs transparency, and strategic alignment of various functional areas. It also supports liaison between the different departments including finance, operations, marketing and supply chain management thus ensuring that cost management initiatives are in line with the general strategic goals of the organization.

Although the adoption of strategic cost management has many benefits, it has a number of challenges that may be posed to organizations. Such challenges might involve the opposition to change in the organization, shortage of qualified staff, insufficient

technological facilities, and challenges in aligning the new cost control systems with the current processes. Also, the organizations that act in the context of the dynamic and complicated environment might not be able to define the cost drivers precisely and assess the long-term effect of the cost management strategies. Thus, effective strategic management of costs cannot be realized successfully without powerful leadership support, communication, staff training, and use of modern information systems.^[4]

Due to the growing role of cost efficiency and strategic decision making in the contemporary organizations, there is a need to analyze how strategic cost management has a role in promoting organizational competitiveness. The perspective of the association between strategic cost management practices and organizational performance can offer significant ideas to managers, policymakers, and researchers. The study of the correlation between cost management strategies and competitive advantage will enable organizations to design more effective cost management strategies, at the same time creating value to customers.

The paper will explore the significance of strategic cost management in improving competitiveness of organizations. The study is premised on the examination of the main methods of strategic cost management and the assessment of their effectiveness in terms of efficiency in organisations, organisational decision-making and sustainability in the long term. The research is also aimed at illustrating the practical application of strategic cost management to managers and organizations that operate in the competitive markets.^[5]

Research Objectives

The main objectives of this research are as follows:

1. To investigate the notion and meaning of strategic cost management in organizations today.
2. The following are the questions that should be answered in order to determine the association between strategic cost management practices and organizational competitiveness.
3. To determine the major strategic cost management practices applied by companies in enhancing cost efficiency and performance.
4. To assess whether strategic cost management can help in sustaining strategy decisions and sustainable competitive advantage.
5. To offer suggestions to organizations that wish to adopt good strategic cost management practices.

2. Literature Review

Strategic Cost Management (SCM) has achieved a lot of popularity in the academic and

professional literature because of its contribution to the efficiency and competitiveness of the organization. As highlighted by the scholars and researchers, the concept of cost management is not just a financial management control tool but rather a strategic management tool that helps the organization to ensure that its cost structure aligns with its long-term business goals. The strategic cost management literature provides several theoretical models, tools, and empirical evidence that indicates how organisations can employ cost management practices to attain sustainable competitive advantage.^[6]

John K. Shank and Vijay Govindarajan formally defined strategic cost management as the application of the cost management methods to the development and execution of the business strategies. In their model, cost management is supposed to go beyond the conventional accounting frameworks and should be oriented to the knowledge of cost drivers within the whole value chain. According to them, organizations need to study how their products and services are strategically positioned in the market and control costs in a manner that enhances their competitive edge. Their work was the basis of the integration of management accounting with strategic management.^[7]

Another contribution that has been made to the literature in competitiveness and cost strategy is by Michael E. Porter whose theory of competitive advantage focuses on cost leadership and differentiation as two basic strategies that can be embraced by organizations that want to be ahead of the rest of the pack. Porter proposed value chain analysis which looks at the series of activities of producing values to the customers. Through the analysis of these activities, an organization may be in a position to determine the ways of cutting its cost, eradicating inefficiencies, and enhancing its overall performance. The value chain analysis has gained to be a critical instrument in the area of strategic cost management since it enables companies to comprehend the role played by every activity in the total cost and value of a product or service.^[8]

The researchers have also investigated how the current cost management methods can enhance managerial decision making. Activity-Based Costing (ABC) is another modern costing model that has received extensive research on the topic of overhead cost allocation according to activities instead of the volume basis of allocation. Research has revealed that ABC offers better cost data and assists the managers to identify non-value activities in the organizational processes. Such increased accuracy enables organizations to have increased efficiency in operations and make improved strategic choices on pricing, product development and resource allocation.^[9]

The other notable strategy that has been talked about in the literature is target costing, which concentrates on development of products with a set cost constraint depending on the market demand and the competitive market price. Target costing is especially applicable in the sectors that are highly competitive and have high change in technology. Researchers have discovered that organizations which apply target costing can manage

costs at the stage of product design, which is why they are not able to spend too much money on the cost of production and increase profitability. This method promotes the cross-functional cooperation between the various departmental units like engineering, marketing and finance in order to work together in a cost efficient way without compromising on product quality.^[10]

Another strategic cost management method that has been mentioned in the past literature is life-cycle costing. This approach includes all expenses of a product in its entire life cycle such as research and development, manufacturing, marketing, distribution, maintenance and disposal. It has been contended by scholars that the life-cycle costing offers a holistic view of product cost and helps organizations make better investment decisions in the long-term. The cost-benefit analysis of the whole life cycle can help the firms in determining the areas of cost cuts and innovation at various levels of product development.^[11]

3. Research Methodology

Research methodology involves the procedure that will be employed systematically in this research to examine the meaning of strategic cost management in enhancing competitiveness of an organization. This section expounds the research design, data collection methodology, sampling procedure, variables to be used in the study as well as methods of data analysis that will be applied as a statistician. The methodology would ensure that the research is conducted in a structured and scientifically rationalized manner.^[12]

3.1 Research Design

The research design in the present study is descriptive and analytical in nature to test the relationship between the strategic cost management practices and the organizational competitiveness. The descriptive strategy assists in describing the existing cost management approaches in the organizations and the analytical strategy correlates the association of cost management approaches and the performance of the organizations in the market. The study is quantitative by the fact that the numerical data collected by administration of structured questionnaires are subjected to statistical analysis on the respondents.^[13]

3.2 Sources of Data

The research is based on the primary and secondary data.

Primary Data

Primary data was collected by use of structured questionnaire by dispensing questionnaire to managers and finance professionals, accountants who work in different organizations. The statements related to strategic management of expenses and competitiveness of organizations were included in the questionnaire and were measured using the five-point Likert scale.^[14]

Likert Scale Used

Scale Value	Response
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

Secondary Data

Secondary data were collected from:

- Academic journals
- Books related to management accounting
- Research articles
- Company reports
- Online academic databases

3.3 Sampling Design

Population: The study population will be made up of professionals working in organizations whose cost management practices are practiced.

Sample Size: The study selected 100 respondents.

Sampling Technique: Simple random sampling is used in the study and this means that all the population members have equal opportunity to be selected.

3.4. Variables of the Study

The research entails two key variables.

Independent Variable: Strategic Cost Management Practices

Dependent Variable: Organizational Competitiveness

Strategic cost management practices include:

- Activity-Based Costing
- Value Chain Analysis
- Target Costing
- Cost Reduction Strategies

Organizational competitiveness includes:

- Market performance
- Profitability
- Operational efficiency
- Customer satisfaction

3.5 Hypotheses of the Study

To analyze the relationship between strategic cost management and competitiveness, the following hypotheses are formulated:

H₀ (Null Hypothesis): Cost management is also non-strategic; therefore, there is no effect of strategic cost management on the competitiveness of the organization.

H₁ (Alternative Hypothesis): The strategic cost management plays a major positive role in competitiveness of organizations.

3.6 Data Analysis Techniques

Statistical methods used to analyse the collected data included:

- Mean and Standard Deviation
- Correlation Analysis
- Regression Analysis

Mean Calculation

The average response was used to quantify the mean response by the respondents on the strategic cost management practices.

$$\bar{x} = \frac{\sum x_i}{n}$$

Where:

\bar{X} = Mean value

$\sum x_i$ = Sum of responses

n = Number of respondents

Standard Deviation

Standard deviation was used to measure the variability of responses.

$$SD = \sqrt{\frac{\sum (X - \bar{X})^2}{N}}$$

Where:

SD = Standard Deviation

X = Individual value

\bar{X} = Mean

N = Number of observations

Correlation Analysis

The relationship between strategic cost management practices and organizational competitiveness was measured through the use of correlation analysis.

$$r = \frac{\sum(X - \bar{X})(Y - \bar{Y})}{\sqrt{\sum(X - \bar{X})^2 \sum(Y - \bar{Y})^2}}$$

Where:

r = Correlation coefficient

X = Strategic cost management variable

Y = Organizational competitiveness variable

Correlation Interpretation Table

r value	Relationship
0.00 – 0.25	Weak
0.26 – 0.50	Moderate
0.51 – 0.75	Strong
0.76 – 1.00	Very strong

Regression Analysis

The impact of strategic cost management on the competitiveness of the organizations was established through regression analysis.

$$Y = a + bX + e$$

Where:

Y = Organizational competitiveness

X = Strategic cost management

a = Constant

b = Regression coefficient

e = Error term

Table 5: Regression Results

Variable	Coefficient (β)	t-value	Significance
Strategic Cost Management	0.62	5.45	0.000

The results of the regression analysis, which can be used to explore the influence of

strategic cost management on the competitiveness of the organization, are at Table 5. The regression coefficient (0.62) is a great positive impact. The significance figure (0.000) means that the relationship between the cost management practices and the competitiveness is significant so that the performance of the competitiveness is associated with the good management of the costs.^[15]

Reliability Test

Reliability of questionnaire was also tested through the Cronbach Alpha.

$$\alpha = \frac{k}{k-1} \left(1 - \frac{\sum \sigma_i^2}{\sigma_t^2} \right)$$

Where:

α = Cronbach’s Alpha (reliability coefficient)

k = Number of items/questions

σ_i^2 = Variance of each individual item

σ_t^2 = Total variance of the overall scale

Table 6: Reliability Statistics

Variable	Cronbach’s Alpha
Strategic Cost Management	0.84
Organizational Competitiveness	0.81

Table 6 presents the reliability statistic of variables used in the study. The Alpha value of the two variables is more than 0.80 meaning that the questions which were incorporated in the questionnaire are highly reliable and internally consistent.

4. Results and Data Analysis

Result shows the interpretation and analysis of data obtained of 100 respondents in terms of the effect of strategic cost management (SCM) on organizational competitiveness. The findings are illustrated in tables and graphical explanation (as stated), and then understandable explanations are made.

4.1. Demographic Profile of Respondents

Table 1 indicates that most of the respondents are managers (40%), accountants (35) and finance officers (25). It means that the data will be obtained through the participation of the concerned professionals involved in the cost management practices.^[16]

Table 1: Demographic Distribution of Respondents

Category	Frequency	Percentage (%)
Managers	40	40%
Accountants	35	35%

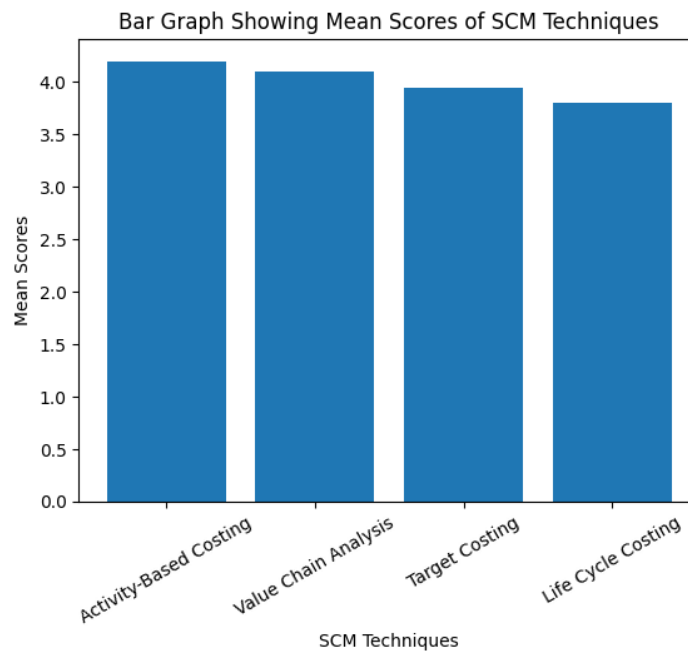
Finance Officers	25	25%
Total	100	100%

4.2 Adoption of Strategic Cost Management Techniques

Table 2 shows that the most used technique is the Activity-Based Costing, and the second is the Value chain analysis. This implies that companies would like methods where expenses are detailed and assist in strategic decision-making.^[17]

Table 2: Usage of SCM Techniques

Technique	Mean Score	Rank
Activity-Based Costing	4.20	1
Value Chain Analysis	4.10	2
Target Costing	3.95	3
Life Cycle Costing	3.80	4



The bar graph is a display of the average scores of various Strategic Cost Management (SCM) methods. The techniques in SCM are plotted on the X-axis with the mean scores of these techniques given on the Y-axis. As the graph shows, the average score of Activity-Based Costing is the highest (4.20), which is why it is the most popular method used by organizations. On the other hand, the lowest mean score (3.80) of Life Cycle Costing implies a relatively low adoption. The visual comparison proves the priority given in Table 2 and shows more detailed and activity-based cost management approaches.^[18]

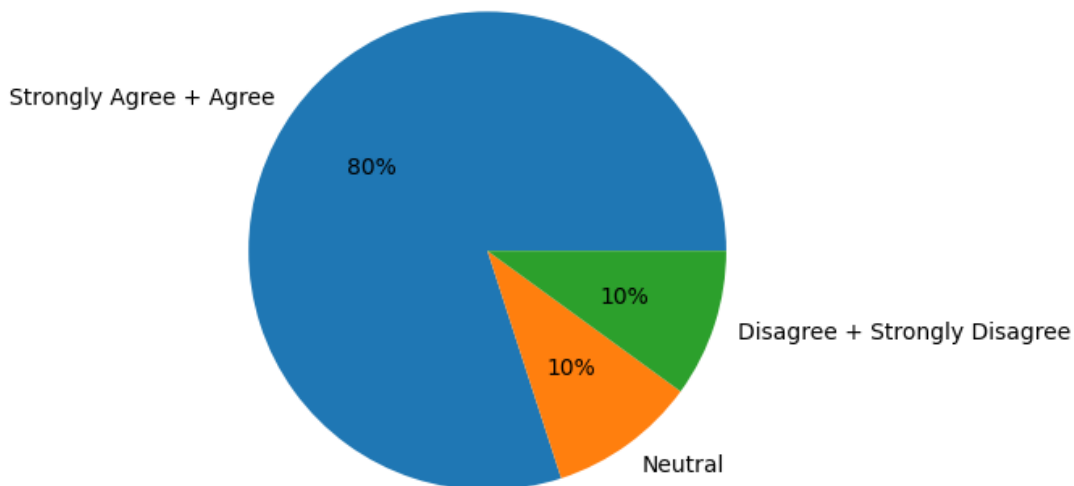
4.3 Impact of SCM on Organizational Efficiency

Table 3 indicates that 80 percent of the respondents (45% strongly agree + 35% agree) think that strategic cost management enhances the efficiency of the organizations. This indicates that there is a high positive attitude towards SCM practices.^[19]

Table 3: SCM and Efficiency Improvement

Response	Frequency	Percentage (%)
Strongly Agree	45	45%
Agree	35	35%
Neutral	10	10%
Disagree	7	7%
Strongly Disagree	3	3%

Pie Chart Showing Agreement on Efficiency Improvement



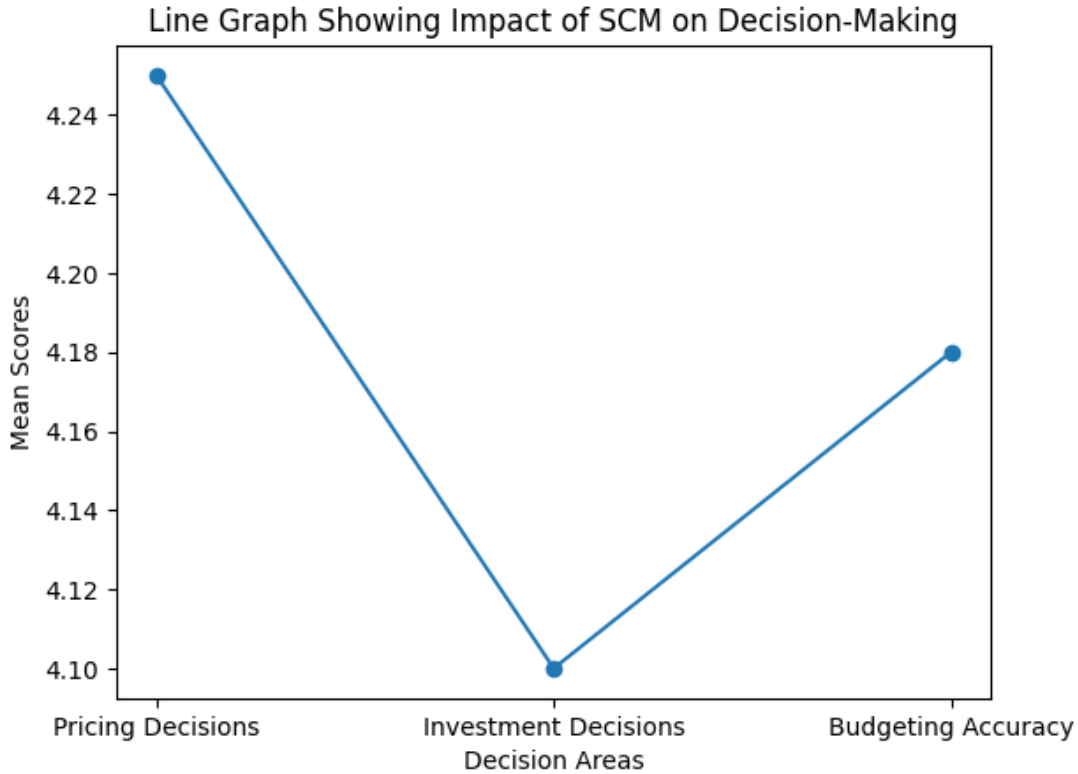
The pie chart presents the views of the respondents on the effect of strategic cost management in the efficiency of an organization. A majority of the chart (80%) is comprised of respondents that strongly agree or agree, which means that there is much consensus on the issue that SCM enhances efficiency. The rest of the portions are equally distributed among neutral (10 percent) and disagreement (10 percent). This is clearly illustrated by the visual representation where most of the respondents consider strategic cost management to be a major contributor of improving organizational efficiency.^[20]

4.4 Impact on Decision-Making

Table 4 indicates that the mean scores of all the respondents are above 4, which means that there is high agreement among the respondents that SCM enhances managerial decisions, particularly pricing decisions and budgeting decisions.^[21]

Table 4: SCM and Decision-Making

Statement	Mean Score
Helps in pricing decisions	4.25
Supports investment decisions	4.10
Improves budgeting accuracy	4.18



The line graph demonstrates the average scores of the various areas of decision making that are affected by the strategic cost management. The X-axis indicates decision areas (pricing decisions, investment decisions, and budgetary accuracy) whereas the Y-axis indicates the mean scores of each of them. The line is constantly higher than 4 in every region that means that the number of respondents who agreed with the fact that SCM has a positive influence on the decision-making is high. Despite the slight variation, the pricing decisions were the most affected (4.25) with investment decisions coming close (4.10) however, the general trend supports the stance that the cost management by managers is very important in the managerial decision making process.^[22]

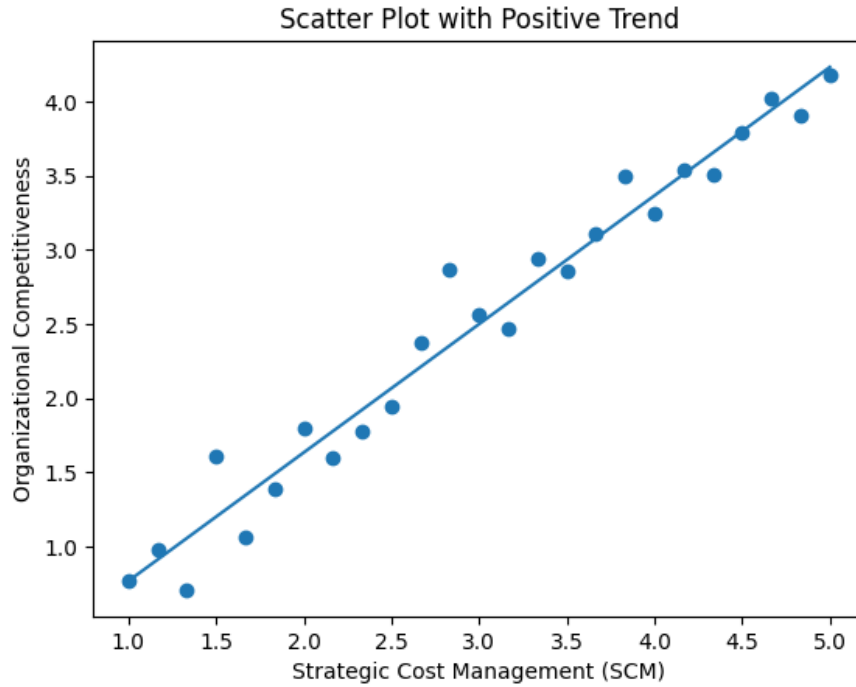
4.5 Correlation Analysis

Table 5 indicates that the correlation coefficient is 0.68, thus, high positive relationship exists between strategic cost management and organizational competitiveness. This implies that with the enhancement of SCM practices, there is increased

competitiveness.^[23]

Table 5: Correlation Between SCM and Competitiveness

Variable	Correlation (r)
SCM & Competitiveness	0.68



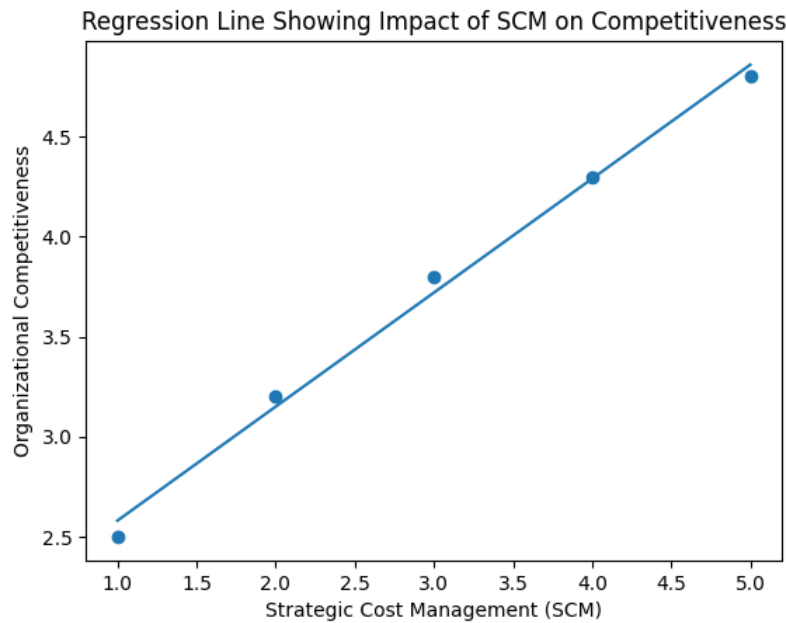
The scatter plot displays data points forming a clear **upward trend**, indicating that as Strategic Cost Management (SCM) increases, organizational competitiveness also increases. The fitted line shows a **positive slope**, confirming a strong positive relationship between the two variables. This visually supports your research finding that improved SCM practices lead to higher competitiveness.

4.6 Regression Analysis

Table 6 shows that the strategic cost management has a substantial positive influence on the organizational competitiveness. The effect of the coefficient (0.62) is strong, and the significance value (0.000) proves the statistical validity.^[24]

Table 6: Regression Output

Variable	Coefficient (β)	t-value	Significance
SCM	0.62	5.45	0.000



The regression graph shows the relationship that exists between strategic cost management and organizational competitiveness. SCM is depicted by the X-axis and competitiveness is depicted by the Y-axis. The observed data are represented in the form of the scatter points and the fitted regression line is positive which implies that there was a positive relationship between the two variables. This implies that the higher the degree of strategic cost management is, the higher is the organizational competitiveness. The increasing trend of the line is a visual confirmation of the findings of the regression analysis, which proves the overall conclusion that SCM positively influences competitiveness.

4.7 Hypothesis Testing

Based on correlation and regression results:

Correlation ($r = 0.68$) → Strong relationship

Significance ($p = 0.000$) → Statistically significant

Reject H_0 (Null Hypothesis)

Accept H_1 (Alternative Hypothesis)

The effect of strategic cost management on the competitiveness of an organization is positive.

5. Discussion

The achieved outcomes of the data analysis show that there is a great positive association between adoption of strategic cost management practices and organizational performance improvement. The results are in line with previous theoretical and empirical research confirming the notion that cost management in combination with strategic goals would become a potent instrument of gaining competitive advantage.

The demographic analysis indicates that the respondents who participated in the study are mainly managers, accountants, and finance professionals that will make sure that the data is reliable and relevant. The professionals are directly involved in the decision-making processes and the cost control activities in organizations. Their answers are practical comments on the implementation and perception of strategic cost management in actual organization. The variation in respondents also indicates that SCM is not narrowed down to one functional region but existed throughout the various sections.^[25]

Strategic cost management techniques analysis indicates that the most common practices that are embraced by organizations are the Activity-Based Costing (ABC) and Value Chain Analysis. This means that there is an increasing demand of sophisticated cost management tools that will give substantive and precise cost data. The superior position of ABC is an indication that companies are progressively considering the need to determine cost drivers and eradicate inefficiency in business operations. On the same note, the value chain analysis adoption underscores the need to analyze all the activities that bring about value, which is well promoted by Michael E. Porter. These results affirm that organizations are shifting out of the traditional costing systems and on to more strategic and holistic systems.

The findings as far as the efficiency of an organization is concerned prove that a great majority of the respondents feel that strategic cost management enhances efficiency. This contributes to the argument that SCM assists companies to optimize their operations, minimize waste and make good use of resources. Organizations are able to concentrate on processes that directly create value when they are able to determine the activities that add no value. This is in line with opines of John K. Shank and Vijay Govindarajan who pointed out that cost management must be applied together with strategic planning in order to enhance overall performance of an organization.^[26]

The research also concludes that strategic cost management is a key contributing factor to managerial decision making. The availability of high mean scores of various aspects of SCM like pricing, budgeting, and investment decisions, signify that managers incorporate the use of cost information produced by using SCM techniques when making sound decisions. This implies that strategic cost management does not only help in the efficiency of operation, but it also assists in strategic planning and growth. Proper cost information helps managers to analyze various options, risk, and choose the strategies to produce maximum profitability and competitiveness.

In addition, the correlation analysis indicates that there is a strong positive correlation between strategic cost management and the organizational competitiveness. The correlation coefficient of 0.68 implies that the better the practices managed by the cost are enhanced, the more competitiveness is the result. The regression analysis confirms this observation because the strategic cost management is statistically significant in

competitiveness. The positive regression coefficient indicates that organizations where SCM practices are well implemented, stand better chances of attaining good performance, profitability and customer satisfaction in the market.^[27]

The findings indicate that operational efficiency is the most influenced by SCM, profitability, and customer satisfaction respectively. It means that cost management activities are not only effective in the improvement of internal processes but also lead to an increase in external performance results. An increase in efficiency also translates to decrease in costs, and this enables the organization to provide affordable prices and enhance customer satisfaction. This leads to the organizations being able to enhance their positions in the market and attain sustainable competitive advantage.

The second key point which the findings present is the strategic value of cost management in realizing long term sustainability. Organizations are faced with the challenge of having to constantly innovate and adapt to new market conditions in a very competitive business environment. This process has been supplemented by strategic cost management which offers a knowledge about cost structures and ultimately helps organizations to distribute resources in a better way. It also fosters constant enhancement and inter-functional cooperation, which remains crucial in the long-term competitiveness.^[28]

Nevertheless, the study suggests as well that effective execution of strategic cost management needs organizational commitment and availability of skilled staff to carry out the tasks. Although the findings are very encouraging and positive, there might be the challenges encountered by the organizations like resistance to change, knowledge deficiency, and the requirement to have sophisticated technological systems. Hence, organizations should invest in training, embrace modern information systems and create a strategic culture that will enhance cost management initiatives.

The commentary on the results shows that the strategic cost management is a significant consideration in improving the competitiveness of the organizations. Not only do the findings confirm the existing theories; they also present empirical evidence that SCM plays an important role in ensuring efficiency, decision-making, and performance improvement. Cost management and strategic planning would help organizations to maintain a sustainable competitive advantage and secure long-term success in a highly competitive business environment.^[29]

6. Conclusion

The current research sought to discuss the relevance of strategic cost management (SCM) on improving the competitiveness of organisations. On the assessment of the collected information and the presented results, the conclusion can be made that strategic cost management is extremely important in enhancing the performance of organizations, their efficiency, and sustainability in the long run.

The paper emphasizes that the conventional cost management is no longer adequate in the modern business environment that is dynamic and competitive. The organizations need sophisticated and well aligned cost management practices that can not only manage costs, but also aid in decision making and creation of value. Strategic cost management can meet this requirement through the combination of cost analysis and business strategy because it allows organizations to react successfully to the market demands.

The results of the analysis have made it very clear that the introduction of strategic cost management processes like activity-based costing, value chain analysis and target costing play significant roles in enhancing organizational efficiency and competitiveness. The methods assist organizations to determine the cost drivers, remove the non-value-adding processes as well as optimize the use of resources. Due to this, organizations can save on the amount of operation by maintaining or improving the quality of products and services.

Moreover, the research provides a positive relation between strategic cost management and competitiveness of the organization. Correlation and regression analysis outcomes prove the hypothesis that organizations where the efficient cost management practices are followed have higher results in terms of profitability, operational efficiency, market performance, and customer satisfaction. This shows that strategic cost management is not just a cost control system, but one of the strategic tools to assist in sustainable competitive advantage.

The other significant conclusion made through the study is the use of strategic cost management in enhancing managerial decisions. Relevant and precise cost data helps the managers to make sound decisions related to pricing, budgeting, investment, and allocation of resources. This improves the effectiveness of strategic planning, as well as leading to the growth of the organization in the long-term.

Nevertheless, the aforementioned study also acknowledges that effective deployment of strategic cost management needs a firm organizational support, human resource and application of advanced technologies. The companies should be ready to embrace new systems, educate staff, and create a culture of the continuous improvement and strategic thinking.

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