

The Impact of Management Accounting Practices on Value Creation Among China's Small and Medium-sized Enterprises

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ABSTRACT

There is a limited number of studies that have examined the significance of management accounting practices in facilitating value creation, particularly among companies in China. The main objective of this study was to investigate the influence of management accounting practices on value creation through their techniques among small and medium enterprises (SMEs) in China from the perspective of the Dynamic Capabilities Theory. Additionally, the study aimed to examine the extent to which management accounting practices were utilized. This study employed PLS-SEM to analyze data obtained from 599 valid questionnaires using the stratified sampling technique. The results indicated that management accounting practices, through their techniques, had a substantial impact on value creation within SMEs in China. This study contributes to the growing body of literature on the relationship between management accounting practices and value creation in China's SMEs. The findings also expand the understanding of the extent of the use of management accounting practices in small and medium-sized enterprises. This research provides empirical evidence of the potential for substantial enhancement of value creation through the adoption of management accounting practices, which can improve competitiveness, ensure business sustainability, and foster long-term performance.

Keywords: Management Accounting Practices, Value Creation, Small and Medium-sized Enterprises

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INTRODUCTION

Small and medium-sized enterprises (SMEs) are essential in most economies, particularly China (MIIT, 2020). Due to complex and dynamic domestic and global economic conditions, especially during a pandemic, SMEs' growth has slowed down, increasing their loss (Xi, 2022). As a result, the Chinese government has begun to prioritize SMEs. In March 2020, MIIT released the "Special Action Plan for Digital Empowerment of Small and Medium Enterprises". This initiative combined digital network, and cognitive technology to assist SMEs in restarting production. In the 2020 Symposium on Private Enterprises, Chinese President Xi Jinping acknowledged SMEs' unique and significant contributions to their employment, economic stability, and innovation promotion. Additionally, their influence in the national economy is growing (Xi, 2022). Within a dynamic and evolving environment, SMEs possess the capacity to identify and leverage resources both from within their organization and from external sources which reflect the dynamic capabilities theory (Bergami et al., 2022). Thus, many SMEs are vital to China's economic and social advancement and must produce value for long-term success by utilizing their resources and capabilities.

Any company seeking economic success must provide value. Through value creation, SMEs may achieve sustainability, competitive advantage, and improved organizational performance, as well as attract owner-managers. Abdullah et al. (2019) examined value creation and management accounting techniques in government-linked firms, and the findings showed that rising share prices, sales growth, reputation, profitability, customer satisfaction, product diversity, and brand loyalty demonstrated value creation. From an accounting perspective, management accounting can yield several benefits. Past studies have suggested that the adoption of management accounting practices (MAPs) in larger companies, state-owned enterprises (SOEs), and SMEs in countries other than China has an impact on value creation. As a result, there is a lack of research on the influence of MAPs on value creation among companies in China.

Management accounting practices (MAPs) provide critical information for corporate planning, analysis, control, and decision-making. MAPs also provide crucial information to aid strategic decision-making and company strategy creation (Fitriasari, 2020). Thus, MAPs are necessary management

tools for improving an organization's operations and performances. They are the main information system for efficient processing, helping firms manage changes and improve their performance.

Based on the discussion and study gap above, this research examined the relationship between MAPs and value creation. In addition, this study also assessed management accounting techniques used in SMEs in China. The paper is arranged as follows: background of the study, explanation of the relevant literature review with hypotheses, explanation of methodology used, results and discussion, and a final section focusing on the conclusion, limitations, and potential future research.

LITERATURE REVIEW & HYPOTHESES DEVELOPMENT

Small and Medium Enterprises in China

China's SMEs have increased employment, economic growth, and innovation in the country's economy (Xi, 2022). According to a report by the Bureau of Small and Medium Enterprises under the Ministry of Industry and Information Technology of China (MIITPRC) in 2021, China had over 400,000 SMEs. SMEs use big data and intelligence technology to build platform development strategies and to improve their business' innovation processes related to MAPs adoption (Min & Kim, 2021). SMEs should address their weaknesses and alter their strategy to include sophisticated practices that match their performance growth. Teece (2023) proposed the Dynamic Capabilities Theory (DCT), which dictates that companies must integrate resources in response to the changing environment. By doing so, SMEs may improve MAPs adoption, market competitiveness, and economic results (Liu, 2021). As a result, MAPs help improve SME's performance and efficiency. The study demonstrated that MAPs support organizations in managing a variety of operational activities.

Dynamic Capabilities Theory

The DCT offers a comprehensive framework for comprehending how companies can adapt to evolving environments, continuously innovate, and

maintain a competitive advantage by effectively integrating, constructing, and reconfiguring resources to address volatile markets and technological shifts through its signature process or routines of the best practices that create value and competitive advantage (Teece, 2023). In other words, the adoption of MAPs as best practices will enhance value creation in SMEs in China when they possess a variety of approaches that are valuable, unique, imitated, and cannot be substituted by competitors. For instance, Dyduch et al. (2021) demonstrated that SMEs with strong dynamic capabilities were able to quickly adapt to the unprecedented changes, identifying new opportunities and implementing innovative solutions, which significantly contributed to value creation. This study emphasized the critical role of dynamic capabilities in adopting management accounting practices that provide accurate, timely, and relevant information for creating value.

Value Creation

Value creation signifies the increase in value that a firm experiences as a result of its actions. This increase in value serves as a long-term source of performance and a sustainable competitive advantage for the firm (Abdullah et al., 2022). Value creation can be derived from the intricate interplay of production factors, namely labor, capital, and land (Lu & Li, 2021). According to Fitriasari (2020), businesses have the potential to leverage resources from community members to enhance their value-creation capabilities. This approach is crucial to effectively harness the impact of organizational characteristics on value creation, particularly within the context of SMEs. There is still a dearth of studies in this particular field, despite the body of evidence showing the importance of value creation on competitive advantages and performance in the context of China's SMEs that have implemented MAPs. Hence, it is imperative to conduct further research to investigate the existing gaps in literature, which will be the focus of the current study. The primary goal of this study was to investigate the use of MAPs by China's SMEs, with a specific focus on their role in value creation.

Management Accounting Practices

The Institute of Management Accountants (IMA) defines management accounting as finding, measuring, gathering, evaluating, organizing,

interpreting, and communicating financial information that managers use to plan, assess, and regulate operations and maximize resource utilizations (National Association of Accountants, 1981). Management accounting tools including costing, budgeting, performance assessment, decision-making, and strategy analysis provide value across all operational domains (Ahmad, 2017). MAPs enhance the value of companies by integrating substantial amounts of both financial and non-financial data (Abdullah et al., 2019). Information processing and the core information system necessitate these techniques. Since management accounting involves planning, control, budgeting, and strategy planning, SMEs use standard cost and management accounting methodologies (Zehra & Ahmed, 2019). MAPs help companies adapt to changes and operate better through their techniques, including costing, budgeting, performance assessment, decision support, and strategic management accounting (Vilakazi et al., 2020). These tools assist in assessing management accounting's ability to support sustainable decision-making and SMEs' performance.

Costing System and Value Creation

Businesses use costing systems to assess product and service costs for profitability analysis, inventory value, and cost control (Kajal et al., 2021). A cost system provides companies with relevant information to efficiently allocate resources and produce cost-effective, high-quality, functionally superior, and on-time services or products, boosting global competitiveness (Kamble et al., 2020). Absorption, activity-based, classic, and variable costing approaches exist (Anand et al., 2020). AlKhajeh and Khalid (2018) found that costing improves organizational effectiveness. Not only that, increased participation in the costing system may also improve organizational performance. Khaliq et al. (2021) found that most SMEs understand the benefits of using standard costing methods, operating budgets, and other tools. These SMEs understand the feasibility and importance of such systems in management accounting and can enhance the financial performance and value creation of SMEs. Thus, SMEs choose conventional costing solutions due to their perceived value (Zehra & Ahmed, 2019). Based on the previous discussion, the study formulated the following first hypothesis:

H₁: There is a significant impact between costing system and value creation among SMEs in China.

Performance Measurement System and Value Creation

Performance measurement systems (PMS) are well-defined and concise collections of financial and non-financial indicators that help organizations make decisions by acquiring, processing, and analyzing quantified performance data (Taouab & Issor, 2019). MAPs depend on this tool to help managers achieve strategic goals and create value (Kamble et al., 2020). Organizations need a complete PMS to assess employee and supplier contributions, stakeholder support, process implementation, and strategy planning (Mio et al., 2022). Performance measurement is widely recognised as essential for SMEs to evaluate their operations (Vilakazi et al., 2020). Vilakazi et al. (2020) suggested that PMS may give valuable insights into current events and provide a framework for goal formulation, which helps SMEs execute value-creating strategies. Thus, the next hypothesis:

H₂: There is a significant impact between performance measurement systems and value creation among SMEs in China.

Budgeting System and Value Creation

Budgeting optimizes resource allocation and utilization, thereby assisting a company in achieving its objectives and it also assesses performance (Duci, 2021). Organizational budgeting improves short-term financial operations planning, management, forecasting, and administration by combining information flows, administrative processes, and procedures (Abdullah et al., 2019). It sets performance benchmarks and corrects deviations to assist managers in managing operations (Bukh & Svanholt, 2020). Budgeting helps managers to make proactive decisions and convey goals to staff (Vilakazi et al., 2020). According to Zehra and Ahmed (2019, traditional budgeting is still preferred by SMEs (Zehra & Ahmed, 2019). Mio et al. (2022) argued that companies use budgets for function achievement, departmental responsibility divisions, and cost reduction that led to value creation. Berg (2020) discovered that in addition to budgeting, it may generate value by limiting decisions and developing Key Performance Indexes (KPIs) that accurately measure value and improve business performance and create value AlKhajeh and Khalid (2018). This suggested the following hypothesis:

H₃: There is a significant impact between budgeting system and value creation among SMEs in China

Decision Support System and Value Creation

A sensible decision support system (DSS) provides operational responses and aids in decision-making in response to specific needs and obstacles (Zhai et al., 2020). Today's fast-paced, ever-changing competitive market makes decision-making important. According to AlKhajeh and Khalid (2018), MAPs have been utilized to create important information for decision-making, including the introduction of new products, pricing changes and evaluations, and risk projections. Meanwhile, Khaliq et al. (2021) mentioned that a decision support system uses cloud computing to improve decision-making based on goals and objectives, enhancing competitive advantage and value creation. The decision support system's database comes from accounting information systems, which help SMEs make better decisions, plan strategically, and manage their operations to increase profitability and value (Ibrahim et al., 2020). From the discussion above, the fourth hypothesis was:

H₄: There is a significant impact between decision support system and value creation among SMEs in China.

Strategic Management Accounting and Value Creation

Duci (2021) studied strategic management accounting (SMA), which provides management accounting information for competitive strategy, firm growth, market dynamics, corporate strategic planning, strategic implementation, and strategic control. SMA enhanced value creation through its techniques which will boost profitability and operational efficiency (Abdullah et al., 2022). There are sixteen SMA approaches in five categories namely costing, planning, control, performance assessment, strategic decision-making, competition, and customer accounting. These techniques were introduced by Cadez and Guilding in 2008 and were adopted by many scholars around the world. According to Hristov et al. (2019), firms are expected to use management accounting information as a strategic tool to create value, in line with evolution of management accounting. SMEs choose conventional SMA methods because of their

importance in management accounting (Zehra & Ahmed, 2019; Sumkaew & Intanon, 2020). Management accounting evolution focuses on ensuring firms continue to generate value, a vital strategic strategy that matches the current business landscapes and requirements (Abdullah et al., 2022). Most empirical research has examined SMA techniques and organizational performances (Alamri, 2019). There are limited studies on SMA techniques and value creation particularly among companies in China. Thus, a study by Abdullah et al. (2022) found that there was a relationship between SMA and value creation. This led to the final hypothesis:

H₅: There is a significant impact between strategic management accounting and value creation among China's SMEs.

Research Framework

The research framework explains the independent-dependent relationship. This study's dependent variable was value creation (VC). This study derived its independent variables from Management Accounting Practices (MAPs) namely Costing System (CS), Performance Measurement System (PMS), Budgeting System (BS), Decision Support System (DSS), and Strategic Management Accounting (SMA). As shown in Figure 1, the study framework shows the influence of costing, performance measurement, budgeting, decision support, and strategic management accounting systems on value creation in the DCT perspective.

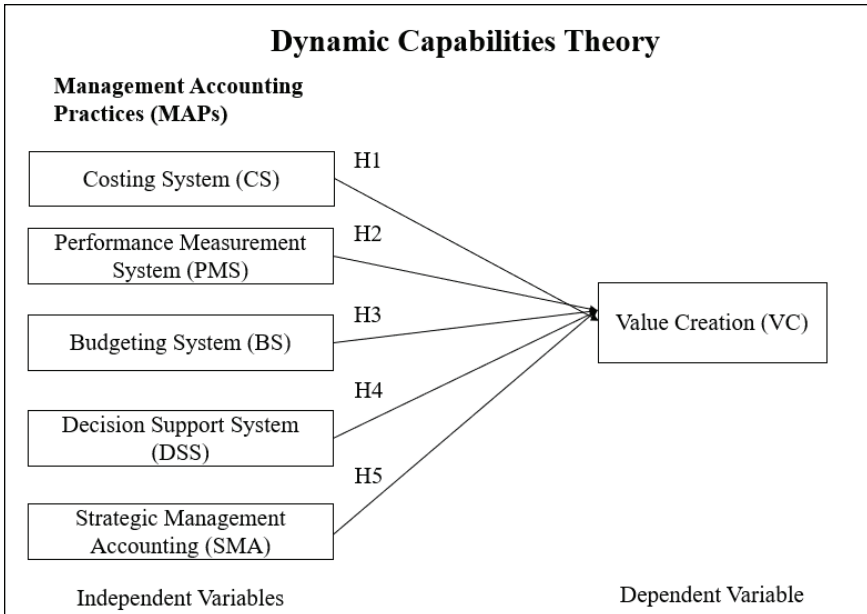


Figure 1: Research Framework

METHODOLOGY

Research Design

The objective of this research was to examine the impact of adopting MAPs on value creation within the context of SMEs in China. This research adopted a quantitative method using a cross-sectional questionnaire survey approach as a data collection instrument. The survey instrument was the most appropriate approach in this study to address the research objective to investigate the relationship between MAPs and value creation among SMEs in China in the perspective of the DCT. The utilization of survey instruments is the most suitable approach for enabling the generalization of study results to the research population (Sekaran & Bougie, 2016). Furthermore, surveys are chosen because they provide adequate time for respondents without the need to react quickly to present facts. Therefore, this study utilized a quantitative research approach, employing a survey instrument to collect data and examine the relationship between MAPs and value creation in SMEs in China.

Data Collection

In 2021, the Ministry of Industry and Information Technology of the People's Republic of China's (MIITPRC) office of small and medium businesses reported that China had more than 400,000 SMEs, with medium-sized enterprises representing 11.8% and small enterprises representing 88.2% (MIITPRC, 2021). Thus, the population of this study was 400,000 SMEs in China, and according to Sekaran and Bougie (2016), the study needed to obtain at least 400 usable questionnaires. Respondents filled out self-administered questionnaires to provide data. The surveys used a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree). The respondents included owner-managers, financial officers, CEOs, and operations managers. These respondents were individuals responsible for overseeing the organization's financial aspects and accounting practices. Their decisions directly affected company performance. The study distributed 1000 questionnaire surveys through various channels such as QQ groups, WeChat groups, conventional mail, email, a SMEs conference, online surveys, and China SMEs owner-manager exhibitions. A total of 599 valid and completed questionnaires were obtained from SMEs in China. The companies were drawn using the stratified sampling technique from different industries and provinces, which included Henan, Guangdong, Zhejiang, Shanghai, Gansu, and Liaoning (Zhang, 2022).

In terms of data analysis, the study used Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze the result. According to Hair et al. (2019), the use of PLS-SEM is appropriate in research scenarios to estimate the relationships between variables. Therefore, the study opted to employ the PLS-SEM SmartPLS software for hypothesis testing.

Measurement of Variables

Management Accounting Practices

This study adopted MAP measurements from Ahmad (2017) and AlKhajeh and Khalid (2018), which were measured by five dimensions namely Performance Management System (PMS), Decision Support Systems (DSS), Strategic Management Accounting (SMA), Costing System (CS), and Budgeting System (BS) using a Likert scale ranging from "1" (strongly disagree) to "7" (strongly agree).

Value Creation

Value creation was assessed using financial and non-financial elements. The parameters for assessing value creation were adopted from Abdullah et al. (2019). The Likert scale ranged from “1” for below average to “7” for above average. Financial indicators for value creation were assessed using stock price, market value, sales growth, price-earnings ratio, market share, return on investment, and market positioning. Meanwhile, non-financial variables included company risk, opportunity, workforce, brand, and reputation. Ten indicators were used to assess value creation in this study.

Respondents Demographic

The research respondents were SME’s owner-managers, including owners, financial officers, CEOs, operations managers, and others who influenced accounting processes. These respondents used MAPs in their everyday work and made decisions to improve the company’s performance. A questionnaire was used to gather demographic data from respondents. It comprised gender, age, employment position, location, and duration of service at the present business as shown in Table 1. The data showed that Zhejiang province had the most respondents at 25.71%, followed by Henan (15.36%) and Liaoning (15.36%), Shanghai (15.03%), Guangdong (14.52%), and Gansu (14.02%).

Table 1: Demographic Characteristics (n=599)

Content	Category	Number of people	Proportion
Gender	Male	323	53.92%
	Female	276	46.08%
Age	Below 30	134	22.37%
	31 to 40	260	43.40%
	41 to 50	162	27.05%
	51 and above	43	7.18%
Job position	Owner	103	17.20%
	CEO	24	4.01%
	Operations Manager	313	52.25%
	Financial Officer	140	23.37%
	Others	19	3.17%
Corporate core business	Agriculture	47	7.85%
	Manufacturing	41	6.84%

Location	Wholesale	209	34.9%
	Food and beverages	97	16.19%
	Transportation	27	4.51%
	Accommodation	48	8.01%
	Service	120	20.03%
	Other	10	1.67%
	Henan Provinces	92	15.36%
	Guangdong Provinces	87	14.52%
	Zhejiang Provinces	154	25.71%
	Shanghai	90	15.03%
	Gansu Provinces	84	14.02%
	Liaoning Provinces	92	15.36%

RESULTS AND DISCUSSION

Descriptive Statistics

Tables 2 and 3 provide the mean and standard deviation for each value creation and MAPs component. The data were comparable to the normal distribution with excess kurtosis and skewness values above -3.0 and below 3.0. All variables had mean values of 4.788 to 5.134 and standard deviations of 1.638 to 1.838. Table 2 shows that ‘Mission/goal clarity’ had the highest mean score of the 10 value creation elements (mean = 5.134, std. dev. = 1.838). In Table 3 of 46 elements to measure MAPs, China’s SMEs’ most prevalent costing system was “Contract costing” with a mean of 4.97. Performance measurement system “Cash flows” was the most PMS (mean=4.953), budgeting system “annual budget” was the most BS (mean=4.945), decision support system “net present value” was the most DSS (mean=5.008), strategic management accounting “target costing” was the most SMA (mean=5.035), and value creation “brand and reputation” was the most VC (mean=5.134).

Table 2: Descriptive Statistics of Value Creation (N=599)

Items	Mean	Standard Deviation
Financial	4.971	1.562
Market value	4.952	1.715
Sales growth	4.962	1.647
Market share	4.988	1.709
Return on investment	5.003	1.698

Market positioning	4.950	1.668
Non-Financial	5.066	1.548
Business risk	4.988	1.687
Operational performance	5.042	1.690
Business opportunities	5.120	1.641
Workforce	5.048	1.709
Brand and reputation	5.134	1.686

**Table 3: Descriptive Statistics of Management Accounting Practices
(N=599)**

Items	Mean	Standard Deviation
Costing system	4.920	1.519
Job costing	4.920	1.702
Batch costing	4.903	1.666
Contract costing	4.970	1.679
Process costing	4.913	1.646
Absorption costing	4.907	1.666
Variable costing	4.938	1.682
Variable absorption costing	4.905	1.718
Activity-based costing	4.905	1.670
Performance measurement system	4.868	1.617
Operating income	4.876	1.821
Return on investment	4.922	1.771
Variance analysis	4.876	1.780
Sales growth	4.870	1.752
Cash flows	4.953	1.798
Number of customer complaints	4.898	1.814
Survey of customer satisfaction	4.880	1.743
Number of warranty claims	4.805	1.768
On-time delivery	4.870	1.784
Manufacturing lead time	4.870	1.754
Defect rate	4.788	1.804
Employee turnover	4.855	1.824
Absentee rates	4.825	1.838
Budgeting system	4.927	1.557
Sales budget	4.871	1.714
Purchasing budget	4.920	1.727
Production budget	4.937	1.728
Cash flow budget	4.918	1.670
Financial position budget	4.922	1.705
Monthly budget	4.935	1.703
Annual budget	4.977	1.684

Continuous/rolling budget	4.945	1.732
Flexible budget	4.903	1.726
Incremental budgeting	4.947	1.685
Zero-based budgeting	4.918	1.741
Decision support system	4.912	1.551
Break-even analysis	4.905	1.717
Stock control model	4.836	1.732
Product profitability analysis	4.885	1.720
Customer profitability analysis	4.903	1.727
Payback	4.937	1.691
Accounting rate of return	4.908	1.706
Net present value	5.008	1.645
Internal rate of return	4.913	1.710
Strategic management accounting	5.017	1.525
Target costing	5.035	1.659
Strategic costing	4.997	1.711
Value chain	5.022	1.640
Life cycle cost	5.018	1.672
Strategic pricing	5.013	1.638
Competitor position monitoring	5.018	1.691

Reliability and Validity

As shown in Table 4 Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) for all constructs were above the required thresholds of 0.7, 0.7, and 0.5 respectively (Hair et al., 2019). The construct's dependability and consistency were verified. The discriminant validity of all constructs was also examined. As demonstrated in Table 5, the square roots of the AVE values were greater than all construct correlations indicating adequate discriminant validity for all constructs (Hair et al., 2019).

Table 4: Reliability Test

Construct	Cronbach's Alpha	Composite Reliability (CR)	AVE
Budgeting system	0.979	0.982	0.829
Costing system	0.968	0.973	0.819
Decision support system	0.97	0.974	0.827
Performance measurement system	0.981	0.983	0.817
Strategic management accounting	0.961	0.968	0.835
Value creation	0.925	0.937	0.597

Table 5: Discriminant Validity

Construct	BS	CS	DSS	PMS	SMA	VC
Budgeting system	0.91					
Costing system	0.49	0.905				
Decision support system	0.465	0.501	0.909			
Performance measurement system	0.433	0.447	0.438	0.904		
Strategic management accounting	0.41	0.46	0.434	0.435	0.914	
Value creation	0.538	0.555	0.545	0.514	0.529	0.773

Hypothesis Testing and Discussion

Before assessing the structural model, the study checked for collinearity. As shown in Table 6 the structural model's Variance Inflation Factors (VIFs) for all constructs were below 3.3, which indicated no multicollinearity (Hair et al., 2019; Sarstedt et al., 2021). To evaluate hypotheses, this study analyzed the hypothesized model using SmartPLS 3.3.2 and bootstrap resampling. This study's model provided a robust explanation, as evidenced by its R-square (R^2) value for value creation, which was 0.513, surpassing 0.25, and its Stone-Geisser Criterion (Q^2) value, which was 0.302, surpassing 0. The "effect size (f^2)" measures how an external construct influences an endogenous construct. According to Hair et al. (2019), considerable f^2 is defined as 0.35, medium as 0.15, and low as 0.02, as shown in Table 6. The research model's standardized root means square residual (SRMR) was 0.046, below the 0.08 criterion, and 0.872, greater than 0.8, indicating a strong match. Table 6 and Figure 2 give paths for coefficients and findings for hypothesis testing. The study found that budgeting, costing, decision support, performance measurement, and strategic management accounting systems positively impacted value creation among SMEs in China ($\beta=0.198$, $p<0.001$).

Table 6: Path Coefficients and Hypothesis Testing

Path	Coefficient	T Value	p Value	VIF	f^2	Results
BS-> VC	0.198	4.677	0.000	1.531	0.052	Supported
CS -> VC	0.192	4.872	0.000	1.647	0.046	Supported
DSS -> VC	0.195	4.885	0.000	1.573	0.050	Supported
PMS -> VC	0.169	4.255	0.000	1.478	0.040	Supported
SMA-> VC	0.201	5.126	0.000	1.468	0.057	Supported

This study examined whether MAPs affect value creation in China SMEs. In addition, the study also examined the use of MAPs among China SMEs. The hypothesis testing indicated that the adoption of MAPs by SMEs enhanced value creation within their companies. MAPs boosted value creation in China's SMEs through costing systems, performance measurement systems, budgeting systems, decision support systems, and strategic management accounting that will help SMEs in China improve their financial and non-financial performance. These assessments helped the SMEs make decisions related to resource allocation and utilization, product cost and pricing, achieve strategic goals and create value, analyze competitors and customers information. Thus, this research aimed to improve business opportunities and mitigate business risks in SMEs through an effective decision-making process. By utilizing costing system technologies, SMEs can optimize their financial performance and generate value for their company through efficient resource allocation. These findings support Zehra and Ahmed (2019) and Kajal et al. (2021). Performance measurement systems help execute policies that create value for SMEs in China by providing insights for goal planning and decision-making. This finding supports Kamble et al. (2020).

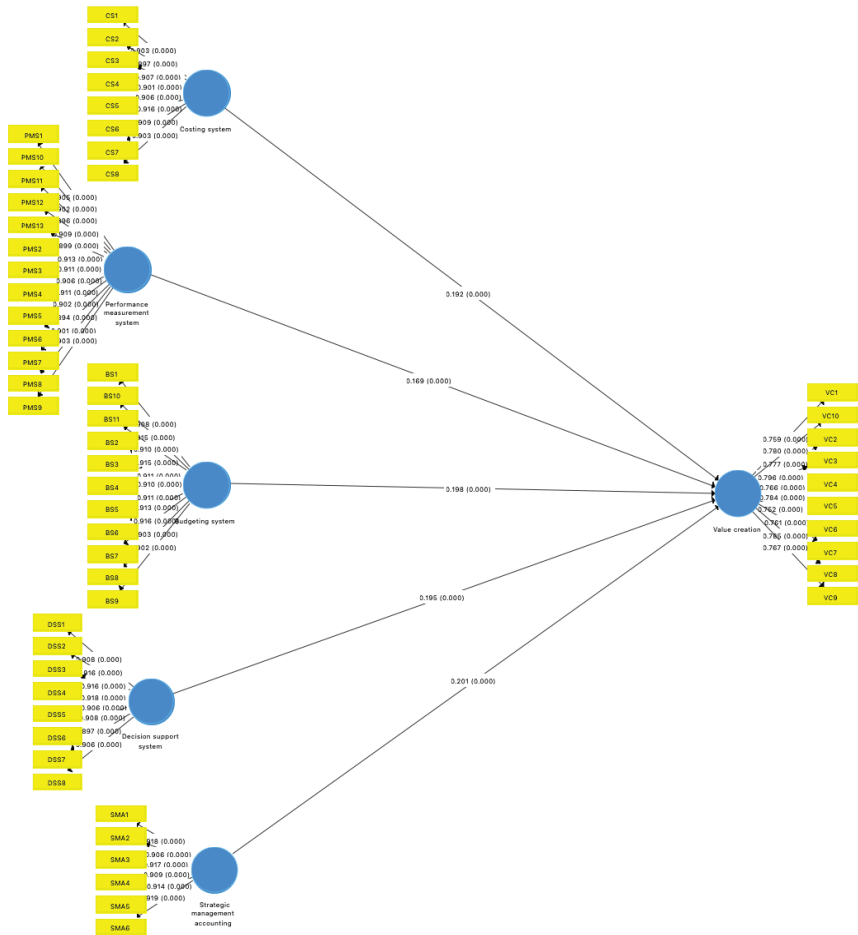


Figure 2: Structural Equation Modelling

This study supports the conclusions in AlKhajeh and Khalid (2018) and Berg (2020) that budgeting systems help firms plan, control, recognize problems, and make decisions by providing appropriate information. Accounting databases are called decision support systems, and this system helps SMEs in China boost profitability by enabling efficient decision-making, strategic planning, and effective control over company activities. The findings support Khaliq et al. (2021) and Ibrahim et al. (2020). The survey also found that SMA techniques was frequently used by SMEs in China to create value, and target costing is the most popular technique. Thus,

SMA provides accounting information for competitive strategy, firm growth, market dynamics, corporate strategic planning, strategic implementation, strategic control, and the integration of strategic management and management accounting to improve operational performance and efficiency and create value. This finding is consistent with Abdullah et al. (2019) and Zehra and Ahmed (2019). Overall, MAPs supported companies in creating value by facilitating decision-making within the framework of the dynamic capabilities theory. With these components, companies could gain a competitive edge and grow economically.

CONCLUSION

The aim of this research was to examine the relationship between MAPs and value creation among China SMEs. In addition, this study also assessed management accounting techniques used in SMEs in China. For practitioners and scholars, the most important finding is the importance of adoption of MAPs' in enhancing value creation. The research also showed that SME's owner-managers understood the role of MAPs that were able to help their companies to create value. It also helped SMEs face global concerns and focus on customer satisfaction and competition in a changing environment. From practical implication, SMEs owner-managers should adopt and analyze MAPs as best practices from the perspective of the DCT to enhance value creation. The findings add to the body of knowledge on MAPs and value creation. Notwithstanding the substantial contribution of this study about MAPs, it is important to acknowledge the presence of certain limitations. The sample was obtained from SMEs in China. Therefore, the generalizability of the findings to other sectors remains uncertain. Future studies would benefit from replicating these results in different sectors to further investigate the issue of generalizability. Furthermore, this research employed a survey to achieve its objectives. Future studies could use mixed-methods or triangulation approaches to provide additional sources of evidence, such as interviews and archival data. Despite its limitations, the results of this study provided valuable insights into the relationship between MAPs and value creation.

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