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Management Accounting Practices' Impact on Firm Performance

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Abstract: This study seeks to examine the impact of management accounting methods on the performance of businesses in the South Jakartan manufacturing sector. To gather quantitative data, 115 managers from various divisions were surveyed. According to regression analysis, strategic management accounting, performance evaluation systems, budgeting systems, cost systems, and decision support systems are some of the management accounting approaches that have a significant impact on business performance. Decision support and performance evaluation tools have a particularly positive impact, despite the negative effects of budgeting methods. The study contributes to illustrating why efficient management accounting techniques are essential for improved business performance and more data for managers to use when making strategic choices.

Keyword: Management Accounting Practices, Cost System, Budgeting System, Performance Appraisal System, Decision Support System, Strategic Management Accounting, Firm Performance.

INTRODUCTION

Every company certainly desires to grow its business. The development of a company can be realized if supported by management's ability to establish policies in planning, acquiring, and utilizing funds to maximize the company's values. Companies often face challenges regarding how they can effectively utilize, manage, and use funds. A company is considered healthy if it can survive in any economic condition. This can be seen from the company's ability to meet financial obligations and carry out its operations stably while maintaining the continuity of its business development over time. The general public essentially measures a company's success based on its performance, as seen from management's performance (Anindita & Noegroho, 2021). Companies must strive to improve the effectiveness and efficiency of their operations. They can obtain important data to help them make strategic decisions by implementing good management accounting procedures, which can ultimately enhance business performance (Alfi et al., 2022; Hasan & Randi, 2020; Nurmala Dewi & Puspitasari, 2023). According to statistical data, companies that effectively use management accounting typically have better performance compared to those that do not apply it (Dahlan, 2018; Putra et al., 2023).

Performance is the result that can be achieved within a certain period by implementing the company's operational strategies based on the policies established to fulfill the previously set vision, mission, and objectives. One of the factors that attract investors to invest in a company is its performance. The company's financial statements can be used to evaluate its success (Karen & Susanti, 2019). According to (Utami et al., 2020), firm performance is an indicator of a manager's success in managing the company. This performance includes various important indicators that need to be considered by investors, as it reflects management's achievements in enhancing shareholder welfare and demonstrates the company's performance over a certain period. Firm performance also serves as a measure of how well the company manages its resources, illustrating the work achievements that have been attained, and represents the accountability of the company's management to stakeholders regarding the management of the provided capital.

The performance of Indonesia's manufacturing sector experienced further decline in August. The Indonesian Manufacturing Purchasing Managers' Index (PMI) updated by S&P Global was recorded below the critical level of 50.0 for the second consecutive month. In September 2024, the PMI for Indonesia released by S&P Global was 49.2. Although there was an increase compared to the PMI of August 2024, which was 48.9, this figure still indicates weakness in the manufacturing sector. (A PMI below 50 indicates contraction, while above 50 indicates expansion). Weaker global demand has also impacted foreign sales. Recent data shows that industrial exports have continued to decline since November 2024, marking seven consecutive months of decline. Many managers are unaware of how poor their company's performance is, which could lead the company to face a serious crisis. This indicates that many companies have not fully utilized management accounting practices to support their strategic decisions. Additionally, challenges such as economic uncertainty and regulatory changes also affect the effectiveness of existing management accounting systems (Sinaga, 2024).

One of the main challenges in this field is the lack of understanding of how to effectively integrate management accounting practices into the decision-making process. There are still issues with the methodology and populations examined, despite the fact that numerous prior research have demonstrated a favorable correlation between management accounting methods and business performance. For example, some studies only highlight specific sectors, such as SMEs, without considering other sectors that could also benefit from good management accounting practices.

Created to give internal stakeholders of the firm decision-making information, management accounting is a financial document. The data obtained from these financial statements includes policies, assessments, and strategies for the future of the company. Each department head may assess and decide more surely by using management accounting including finance, production, and marketing (Pradipto & Nurfauziya, 2023). The application of management accounting in a company can significantly contribute to facing and surviving in an increasingly tight and dynamic business competition. This practice plays a crucial role in creating competitive advantages that are essential for the company, assisting in the managerial decision-making process, motivating employee behavior, and supporting and building the cultural values necessary to achieve organizational goals.

Management accounting practices (MAP) refer to management accounting techniques that can help companies improve their performance. Some methods included in this category are cost-volume-profit analysis, target costing, kaizen costing, value-based management, value chain analysis, and others, which serve as important tools for enhancing efficiency. Additionally, these methods can also have a significant impact on performance and reduce the risk of business failure (Rachmawati & Anjelina, 2021). Management accounting practices encompass various elements, such as cost systems, budgeting practices, performance evaluation systems, decision support systems, and strategic management accounting practices

(Ahmad, 2012). According to (Jaradat et al., 2018), these management accounting techniques play an important and strategic role in assisting management in managing the business, including in decision-making, resource allocation, supervision, performance evaluation, and reward provision (Tanjung et al., 2021).

Initially, MAP (Management Accounting Practice) functioned as a tool for controlling production costs. The methods available in MAP at this early stage included budgeting, cost accounting, inventory management, and others. The primary focus of these methods was on cost control, making MAP at this stage known as traditional MAP. As time progressed and the shift of asset investment moved from tangible to intangible, new methods in MAP emerged, such as value-based management, total quality management, environmental management accounting, and others. MAP at this stage is referred to as contemporary MAP, which emphasizes efforts to enhance product value to meet consumer needs. The difference between the two stages of MAP can also be seen in the level of sophistication. Traditional MAP reflects a condition where there has been no adaptation to technology, while contemporary MAP is a stage where MAP has adapted to technology. This level of sophistication is also related to the company's ability to provide relevant information for planning, control, and decision-making to create and enhance company value .

This research refers to the main theory, which is the contingency theory. This theory states that the effectiveness of the management accounting system (MAS) highly depends on the situational characteristics faced by each organization. Thus, managerial decisions and performance control must be based on specific internal and external conditions. This concept is discussed by Eriani and Fanani, who emphasize the importance of specific contexts in the application of accounting systems (Eriani & Fanani, 2019). Research by Aisya et al. also reveals that the appropriate accounting system will depend on the specific conditions in which the organization operates, and this can enhance performance (Aisya et al., 2022).

The core tenet of contingency theory is that there is no one accounting system that is appropriate for all businesses under all circumstances. The appropriateness of the accounting system is determined by the particular circumstances in which the organization identifies itself (Otley, 1980) or the contingency variables that affect it (Chenhall, 2003). As a result, the application of management accounting methods will vary across businesses, aligning with each organization's environmental situation. The idea of fit is how this change process is described in contingency theory.

Numerous earlier research have emphasized the connection between business performance and management accounting systems. For example, research conducted by Hasan and Randi shows that decentralization and management accounting systems positively impact managerial performance at PT. Charoen Pokhpand Indonesia Tbk (Hasan & Randi, 2020). However, many of these studies remain limited to specific industry contexts or do not account for external variables that may influence the results (Nabilla Aldama, 2022). (Haleem, 2021) conducted research on the mediating role of accounting practices in the relationship between integrated Accounting Information Systems (AIS) within ERP systems and firm performance in Sri Lanka. The findings of this study indicate that accounting practices have a significant influence on firm performance, where these practices greatly support companies in terms of accurate financial information integration, financial report adjustments, efficiency in financial reporting processes, reporting facility integration, and the reliability of accounting information.

(Adu-gyamfi & Chipwere, 2020) conducted a study on the impact of management accounting practices on firm performance in the manufacturing sector in Ghana. The results of this study indicate that cost-setting systems, budgeting systems, performance evaluation systems, strategic management, and information for decision-making are the main management accounting practices applied by manufacturing companies in Ghana, and these practices positively impact the performance of companies in that country. (Fekadu, 2018) investigated

how accounting procedures affect business performance. The results of this study show that strategic analysis, budgeting, performance evaluation, cost-setting mechanisms, and information for decision-making all have a favorable impact on business performance. However, studies by (Maziriri & Mapuranga, 2017) demonstrate that many aspects of management accounting procedures, especially data for decision-making, have no beneficial effect on business performance. Determining if management accounting practices—including cost systems, budgeting systems, performance assessment systems, decision support systems, and strategic management accounting have a noteworthy positive impact on business performance is the aim of this study.

METHOD

This study offers a thorough description of the approaches used to assess the influence of management accounting systems on company performance. Following the positivist philosophy (Sugiyono, 2020), quantitative methods are employed in this research with the goal of testing hypotheses and collecting credible data. The independent variables in this study are the practices of management accounting, including strategic management accounting, performance appraisal systems, budgeting systems, cost systems, and decision support systems (Ahmad, 2012). Business performance is the dependent variable under review right now. Primary data from surveys to managers of private companies in South Jakarta were acquired via the random sampling technique. (Darma, 2021) tested the validity and reliability of the questionnaire used to collect the data. The data was examined using linear regression to find the link between the dependent and independent variables; the classical assumption test was then employed to confirm the correctness of the regression model (Sugiyono, 2018). This research aims to clarify how management accounting techniques influence corporate performance.

RESULTS AND DISCUSSION

Characteristics of Respondents

Table 1 Characteristics of Respondents

characteristics	Frequency	Percentage
Gender		
Male	67	58,3%
Female	48	41,7%
Total	115	100%
Age		
< 25 years old	18	15,7%
25 - 35 years old	46	40%
36 - 50 years old	46	40%
> 50 years old	5	4,3%
Total	115	100%
Education		
Associate Degree	2	1,7%
Bachelor Degree	71	61,7%
Master Degree	42	36,6%
Doctoral degree	0	0%
Total	115	100%
work field		
Financial	31	27%
Marketing	28	24,3%
Production	27	23,5%
others	29	25,2%
Total	115	100%

length of employment		
1 year	10	8,7%
2 - 5 years	51	44,3%
6 - 10 years	43	37,4%
> 10 years	11	9,6%
Total	115	100%

Source: Data processed, 2025

The following traits of the respondents are based on the data shown in Table 1: According to the gender distribution, men made up 58.3% of the respondents. Forty percent of those surveyed were between the ages of 25 and 50. Regarding education, 61.7% of those surveyed had earned a bachelor's degree. Of those surveyed, 27% were employed in the finance industry. 44.3% of respondents said they had been employed for two to five years.

Validity Test

The validity test measures how effectively a questionnaire carries out its measurement role. If the r value exceeds the r table, the validity test is deemed legitimate. With the aid of the SPSS software, factor analysis was employed in this study to assess validity. A validity test was conducted on 115 individuals with the following findings:

Table 2 Result of Cost System Validity Test

Questions	r- statistic	r-table	Information
CS 1	0.755	0.183	VALID
CS 2	0.796	0.183	VALID
CS 3	0.811	0.183	VALID
CS 4	0.741	0.183	VALID
CS 5	0.804	0.183	VALID
CS 6	0.781	0.183	VALID

Source: Data processed, 2025

From the table above, it shows that all question items on the cost system variable are valid.

Table 3 Result of Budgeting System Validity Test

Questions	r- statistic	r-table	Information
BS 1	0.760	0.183	VALID
BS 2	0.737	0.183	VALID
BS 3	0.773	0.183	VALID
BS 4	0.774	0.183	VALID
BS 5	0.802	0.183	VALID
BS 6	0.798	0.183	VALID

Source: Data processed, 2025

From the table above, it shows that all question items on the budgeting system variable are valid.

Table 4 Result of Performance Appraisal System Validity Test

Questions	r- statistic	r-table	Information
PAS 1	0.748	0.183	VALID
PAS 2	0.743	0.183	VALID
PAS 3	0.784	0.183	VALID
PAS 4	0.793	0.183	VALID
PAS 5	0.818	0.183	VALID
PAS 6	0.835	0.183	VALID

Source: Data processed, 2025

From the table above, it shows that all question items on the performance appraisal system variable are valid.

Table 5 Result of Decision Support System Validity Test

Questions	r- statistic	r-table	Information
DSS 1	0.893	0.183	VALID
DSS 2	0.929	0.183	VALID
DSS 3	0.920	0.183	VALID
DSS 4	0.897	0.183	VALID
DSS 5	0.932	0.183	VALID
DSS 6	0.941	0.183	VALID

Source: Data processed, 2025

From the table above, it shows that all question items on the decision support system variable are valid.

Table 6 Result of Strategic Management Accounting Validity Test

Questions	r- statistic	r-table	Information
SMA 1	0.792	0.183	VALID
SMA 2	0.803	0.183	VALID
SMA 3	0.763	0.183	VALID
SMA 4	0.740	0.183	VALID
SMA 5	0.741	0.183	VALID
SMA 6	0.738	0.183	VALID

Source: Data processed, 2025

From the table above, it shows that all question items on the strategic management accounting variable are valid.

Table 7 Result of Firm Performance Validity Result

Questions	r- statistic	r-table	Information
CP 1	0.787	0.183	VALID
CP 2	0.759	0.183	VALID
CP 3	0.737	0.183	VALID
CP 4	0.793	0.183	VALID
CP 5	0.849	0.183	VALID
CP 6	0.795	0.183	VALID

Source: Data processed, 2025

From the table above, it shows that all question items on the firm performance variable are valid.

Reability Test

Reliability is the absence of measurement equipment mistakes and the consistency of the measurement results. Assessing the consistency of data produced by statements or questions is the goal of reliability testing. In this procedure, the Cronbach's alpha value is compared to a predetermined significance level, which can range from 0.5 to 0.7. An instrument is deemed reliable if its Cronbach's alpha value is higher than the significance threshold; if it is lower, it is deemed unreliable (Darma, 2021).

Table 8 Reability Test Results

Variable	Cronbach Alpha	α	Description
Cost System	0,872	0,7	Reliable

Budgeting System	0,866	0,7	Reliable
Performance Appraisal System	0,876	0,7	Reliable
Decision Support System	0,963	0,7	Reliable
Strategic Management Accounting	0,856	0,7	Reliable
Firm Performance	0,875	0,7	Reliable

Source: Data processed, 2025

The Cronbach Alpha values for the cost system variable, budgeting system variable, performance appraisal system variable, decision support system variable, strategic management accounting variable, and firm performance variable are 0.872, 0.866, 0.876, 0.963, and 0.875, respectively, according to Table 4 above. Therefore, since the Cronbach Alpha score is greater than 0.7, it may be said that every question in this survey is deemed reliable.

Descriptive Statistic

Table 9 Descriptive Statistic

Indicator	Firm Performance	Cost System	Budgeting System	Performance Appraisal System	Decision Support System	Strategic Management Accounting
Median	31,04	30,00	31,00	30,00	24,00	20,00
Mean	30,63	29.79	30.3	29.76	23.87	19.8
IQR	4,00	3,00	4,00	3,00	1,00	3,00
Varians	13,204	16,184	14,652	14,414	11,448	5,530
Standard Deviation	3,634	4,023	3,828	3,797	3,383	2,352
Skewness	0,058	-2,101	-1,992	-2,393	1,398	-0,408
Kurtosis	-0,247	5,631	7,223	7,860	5,588	1,659

Source: Data processed, 2025

Based on table, the highest average value is firm performance, which is 30.63, while the lowest is strategic management accounting, which is 19.80. For the highest standard deviation, the cost system variable is 4.023 and the lowest is the strategic management accounting variable, which is 2.352.

Nonmulticollinearity Assumption Test

This experiment seeks to determine possible relationships between the predictor variables in the regression model. The tolerance value ≤ 0.10 or the same as the VIF value ≥ 10 are used as evidence of correlation, which indicates that there is no multicollinearity (Ghozali, 2016).

Table 10 Non-multicollinearity Test Result

Model	Collinearity Statistics	
	Tolerance	VIF
Cost System	0.526	1.903
Budgeting System	0.734	1.362
Performance Assessment System	0.466	2.146
Decision Support System	0.701	1.427
Strategic Management Accounting	0.758	1.318

Source: Data processed, 2025

According to the regression model, as shown in Table 10 above, the independent variables are not correlated. The VIF score for the cost system is 1,903, for the budgeting system 1,362, for the performance appraisal system 2,146, for the decision support system 1,427, and for the strategic management accounting system 1,318. All of the variables on the

tolerance scale exceeded the 0.10 threshold: 0.526 for the cost system, 0.734 for the budgeting system, 0.466 for the performance appraisal system, 0.701 for the decision support system, and 0.758 for the strategic management accounting system. The aforementioned findings from the multicollinearity test demonstrate that the regression model does not have any multicollinearity issues.

Nonheteroscedasticity Assumption Test

The goal behind this test is to determine whether or not equal variance exists between observations. The absence of a statistically significant variable means the regression lacks heteroscedasticity. The test is applied through regressing the independent variable on the independent variable against the absolute residual variable at a > 5% level of significance (Ghozali, 2016).

Table 11 Non-heteroscedasticity Test Result

Variables	Sig.t	Description
Cost System	0.344	No heteroscedasticity symptoms
Budgeting System	0.891	No heteroscedasticity symptoms
Performance Assessment System	0.492	No heteroscedasticity symptoms
Decision Support System	0.259	No heteroscedasticity symptoms
Strategic Management Accounting	0.842	No heteroscedasticity symptoms

Source: Data processed, 2025

Referring to Table 11, the sig. values obtained from the Glejser test for all independent variables > 0.05 threshold, thereby indicating that the Glejser test results suggest this research does not occur heteroscedasticity

Normality Assumption Test

Assessment of the normality assumption aims to determine whether the multivariate data adhere to a normal distribution which also represents the ability to generalize the results of model tests and proposition tests from samples to populations

Table 12 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		115
Normal Parameters[a,b]	Mean	0
	Std. Deviation	2.67062831
Most Extreme Differences	Absolute	0.048
	Positive	0.046
	Negative	-0.048
Test Statistic		0.048
Asymp. Sig. (2-tailed)[c]		.200[d]

Source: Data processed, 2025

With an Asymp.Sig value of 0.200>0.05, the Kolmogorov-Smirnov value is 0.048, according to the findings of the Kolmogorov-Smirnov normalcy test. Thus, it may be said that this study's regression model is regularly distributed. Due to the fact that the Asymp.Sig value exceeds 0.05

Simultaneous Effect Test

Table 13 Simultaneous Effect Test Results

Indicator	Count Value	Standard Value	Interpretation
R2	46%	-	Sedang
Adj. R^2	43,2%		
F	19	2,18	Signifikan
Sig. F	0%	<5%	Signifikan

Source: Data processed, 2025

$$Y = 9{,}877 + 0{,}156X_1 - 0.173X_2 + 0{,}232X_3 + 0{,}381X_4 + 0{,}272X_5 + \varepsilon$$

According to the data, the regression model that determines the effect of the cost system, budgeting system, performance evaluation system, decision support system, and strategic management accounting on business performance is explained by the provided model, while the remaining 43.2% is due to factors not covered in this study, with an R2 value of 0.460 or 46%. The Fcount number is higher than the Ftable number (18,560 > 2.72), and its value of significance levels is lower than 0.05, more precisely 0.000.

Partial Effect Test

Table 14 Partial Effect Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.877	2.901		3.405	0.001
	Cost System	0.156	0.088	0.172	1.776	0.079
	Budgeting System	-0.173	0.078	-0.183	-2.221	0.028
	Performance Appraisal System	0.232	0.099	0.242	2.349	0.021
	Decision Support System	0.381	0.090	0.355	4.216	0.000
	Strategic Management Accounting	0.272	0.125	0.176	2.174	0.032

Source: Data processed, 2025

The explanation of the hypothesis testing results in Table 10 is as follows

1. The Effect of Cost System on firm Performance
   With a regression coef. of 0.156, the cost system practices variable shows a positive correlation; a one-point improvement in cost system practices (X1) will result in a 0.156-point rise in firm performance (Y). The cost system variable has a sig. level of 0.079, which > 0.05. Additionally, the computed t value (1.776) < the t table (1.982). Thus, the claim that the cost system significantly affects business performance is disproved (H1 is rejected).
2. The Effect of Budgeting System on firm Performance
   With a regression coef. of -0.173, the budgeting system variable shows a negative correlation; a one-point rise in budgeting system (X2) will result in a 0.173-point drop in firm performance (Y). This variable's sig, < 0.05, at 0.028. The t table (1.982) < the computed t value (-2.221). Thus, the hypothesis that the budgeting method has a major detrimental impact on the performance of the company is accepted (H2 accepted).
3. The Effect of Performance Assessment System on Firm Performance

A one-point increase in the performance evaluation system (X3) will result in a 0.232-point rise in firm performance (Y), as indicated by the regression coef. of 0.232 for the performance assessment system variable. This variable has a significance level of 0.021, which is less than 0.05. The t table (1.982) is less than the computed t value (2.349). Thus, the hypothesis that the performance evaluation system significantly improves business performance is accepted (H3 accepted).

4. The Effect of Decision Support System on Firm Performance
   With a regression coef. of 0.381, the decision support system variable shows a positive correlation; a one-point rise in decision support system (X4) will result in a 0.381-point improvement in firm performance (Y). This variable has a sig. level of 0.000, which is < 0.05. The t table (1.982) < computed t value (4.216). Thus, the hypothesis that decision assistance systems significantly improve firm performance is accepted (H4 is accepted).
5. The Effect of Strategic Management Accounting on Firm Performance
   A one-point increase in strategic management accounting (X5) will result in a 0.272-point rise in corporate performance (Y), according to the regression coef. of 0.272 for the strategic management accounting variable. This variable's significance level is less than 0.05, at 0.032. The t table (1.982) < computed t value (2.174). Thus, the hypothesis that strategic management accounting significantly improves business performance is accepted (H5 is accepted).

Differential Test of Firm Performance

Table 15 Differential Test Results of Firm Performance

Description	X1	X2	X3	X4	X5
Equality Variance	Not Assumed	Assumed	Not Assumed	Assumed	Assumed
Sig. Different Test	0,1%	36,7%	0,1%	0%	0,4%
Cohen's d	3,581	3,733	3,576	3,551	3,621

Source: Data processed, 2025

In table 11 above, the significance value of the difference test for the cost system variable is 0.001 or 0.1%, leading to the conclusion that there is a substantial difference between the cost system and firm performance. The Cohen's d value is 3.581, suggesting that the impact of the cost system on firm performance is extremely large. The significance value of the difference test for the budgeting system variable is 0.367 or 36.7%, implying the lack of a consequential difference between the budgeting system and firm performance. The Cohen's d value is 3.733, suggesting that the effect of the budgeting system on firm performance is extremely large. The significance value of the test regarding the difference in performance appraisal system variables is 0.001 or 0.1%. This indicates a significant difference exists between the appraisal system and firm performance. The Cohen's d value is 3.576, suggesting that the impact of the performance appraisal system on firm performance is extremely large. The significance value of the test for the difference in decision support system variables is 0.000 or 0%, leading to the inference that a statistically meaningful disparity is present between decision support system and firm performance, with a Cohen's d value of 3.551, indicating a very large impact of the decision support system on firm performance. The significance value of the test for the difference in strategic management accounting variables is 0.004 or 0.4%, allowing us to conclude that a significant difference exists between strategic management accounting and firm performance, with a Cohen's d value of 3.621, signifying a very large effect of strategic management accounting on firm performance.

Discussion

Effect of Cost System on firm Performance

The research findings indicate that the cost system positively influences firm performance, exhibiting a regression coef. of 0.156. Nonetheless, this effect lacks statistical significance, as the significance value of 0.079 exceeds 0.05, and the t-count of 1.776 is less than the t-table value of 1.982. While enhancing the cost system generally leads to better firm performance, the evidence supporting this is not robust. In practical terms, enhancing the efficiency of the cost system can enable companies to handle operating costs more effectively, allowing for possible improvements in performance. The t-test findings indicate a notable difference between the cost system and firm performance (sig. 0.1%, Cohen's d 3.581), suggesting a substantial real-world impact. The results resonate with the research conducted by (Putri & Wafaretta, 2022), which indicates that the cost system does not influence performance, but they contradict the research of(Maziriri & Mapuranga, 2017; Tanjung et al., 2021), which claim the opposite. In general, These outcomes illuminate the urgent demand for implementing a cost system to enhance firm performance, particularly for those with higher classifications, and urge companies with weak cost systems to assess and enhance them.

Effect of Budgeting System on Firm Performance

The findings indicated that the budgeting system adversely impacted firm performance, exhibiting a regression coef. of -0.173 and a significance level of 0.028 ($p < 0.05$). This implies that a rise in budgeting system can impair firm performance, potentially due to a too strict system restricting managerial adaptability. Even though the t-test findings indicate no notable difference between the budgeting system and firm performance (sig. With a large Cohen's d value of 3.733, indicating a strong practical effect, it is essential to assess the execution of the budgeting system to enhance its adaptability (36.7%). This discovery opposes earlier studies that demonstrate the budgeting system positively influences performance. Consequently, it is crucial for businesses to modify their budgeting system to better adapt to market fluctuations to enhance performance.

Effect of Performance Appraisal System on Firm Performance

The performance appraisal system has a notable positive impact on firm performance, showing a regression coef. of 0.232 and a significance level of 0.021 ($p < 0.05$). Enhanced quality and precision in performance evaluations can boost the overall efficiency of the company, as a well-functioning appraisal system offers valuable feedback, inspires employees, and addresses areas of weakness. The results of the T-test indicated noteworthy differences with substantial effects (sig. 0.1%, Cohen's d 3.576), reinforcing the significance of performance evaluation systems. This result aligns with the studies by (Maziriri & Mapuranga, 2017; Tanjung et al., 2021), Consequently, businesses must guarantee that the performance evaluation systems they implement are precise and aligned with strategic objectives to attain maximum effectiveness.

Effect of Decision Support System on Firm Performance

The factor of decision support system has a profoundly impactful and statistically robust effect on firm performance, exhibiting a regression coef. of 0.381 and $p = 0.000$. This indicates that a greater reliance on information technology and dependable decision support systems can enhance the efficiency of managerial decision making and positively affect firm performance. These systems assist managers in gathering precise information and detailed analysis to facilitate prompt and well-informed choices. The t-test findings indicate notable differences with considerable effects (sig. 0%, Cohen's d 3.551). This result aligns with the study by Maziriri & Mapuranga (2017), yet it opposes the findings of Ahmad (2012) and Tanjung et al.

(2021), which indicate that the decision support system does not impact performance. This highlights the significance of creating and executing efficient decision support systems as a means to enhance the overall performance of the company.

Effect of Strategic Management Accounting on Firm Performance

Strategic management accounting has a noteworthy positive impact on firm performance, evidenced by a regression coef. of 0.272 and a sig, level of 0.032. This suggests that effective strategic management accounting practices can enhance organizational performance by synchronizing planning and control with strategic objectives. This system assists businesses in predicting risks and maximizing resources. T-tests revealed noteworthy differences with substantial effects (sig. 0.4%, Cohen's d 3.621), validating the effective influence of this variable. This result aligns with Ahmad's (2012) research that indicated a connection between strategic management accounting practices and performance, even though the connection was weak. Nonetheless, this research contrasts with Maziriri & Mapuranga (2017), who claimed that strategic analysis practices impact performance, and diverges from Tanjung et al. (2021), which revealed that strategic management accounting does fails to yield a statistically meaningful improvement. Accordingly, enhancing the quality of strategic management accounting is a crucial measure to attain optimal performance for the company

CONCLUSION

The results of this study give credence to the idea that management accounting practices have a major influence on firm performance in the manufacturing sector in South Jakarta. The findings show that while the budgeting system does have a negative effect on firm performance, strategic management accounting, decision support tools, and performance appraisal systems all improve firm performance. This implies that to make the budgeting system more adaptable to changes in the market, its implementation needs to be reviewed and changed. However, the cost system had little effect on firm performance. All things considered, implementing good management accounting practices is essential to help companies overcome challenges and become more competitive in the market.

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