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*Article*

# The Impact of Strategic Management Accounting on Competitiveness of Commercial Companies: An Empirical Study

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**Abstract:** The research aims to investigate how the elements of strategic management accounting such as cost management strategies, strategic performance measurement, and competitor analysis influence the dimensions of competitive advantage in commercial companies located in Salah Al-Din Governorate using a descriptive-analytical method.. A questionnaire was used as the main tool for data collection and distributed to a purposive sample comprising 200 managers and financial officers working within commercial companies. Statistical methods applied included Cronbach's alpha coefficient for reliability, frequencies, percentages, arithmetic mean, standard deviation, and multiple regression analysis to test the hypotheses with SPSS version 26. Results indicated that SMA has a statistically significant positive impact on enhancing competitiveness. It was found that the dimension of strategic performance measurement explains 38.2% of the variance in competitiveness followed by cost management strategies at 34.5%, while competitor analysis explains 28.3%. The study recommends that commercial companies enhance their use of SMA techniques in order to achieve sustainable competitive advantages.

**Keywords:** Strategic Management Accounting, Competitiveness, Commercial Enterprises, Cost Leadership, Differentiation Strategy.

## Introduction

Today, the business world is undergoing radical changes at both the technological and organizational levels. Accounting information has become a key element in strategic decision-making and in gaining competitive advantage. With growing competition and a more complicated business setting, there is an urgent need to create accounting systems that go beyond just recording financial data; they should have a broader function that supports strategic planning and control [1].

Strategic management accounting is one of the most important contemporary tools that helps organizations keep pace with the demands of the changing competitive environment. It represents a natural extension of traditional management accounting, but focuses on providing strategic information that supports decision-makers in achieving long-term goals and building sustainable competitiveness [2]. This approach to accounting allows firms to observe market trends, analyze competitor behavior, and manage costs effectively in order to enhance their ability to compete successfully and survive in the marketplace.

In Iraq, particularly in Salah Al-Din Governorate, trading companies are grappling with issues like market fluctuations, rivalry from both local and international markets, and enhancing their operational efficiency. Competitiveness has transcended the realm of theory to become a concrete reality that dictates the survival or expansion of firms. It is founded on three pillars: providing products at competitive prices to achieve cost leadership; offering unique products or services for differentiation; and improving internal processes to attain operational excellence [3].

Strategic management accounting and competitiveness should be closely linked, especially in Iraq today.Companies are trying to get back on track after tough times. Strategic management accounting provides a wide view for collecting and looking at financial and non-financial data that supports strategic decisions by recognizing internal strengths and weaknesses, as well as external opportunities and threats (SWOT analysis).This helps in developing effective strategies to attain competitive advantage [4].

These changes made it necessary to study the effect that adopting strategic management accounting has on competitiveness. It is important to know how much such an approach to accounting develops competitive capabilities in order for more effective accounting systems to be designed that can meet business needs in the Salah Al-Din Governorate. This study will also fill a gap in Arabic literature since very few studies have dealt with this issue within the Iraqi environment, particularly those governorates facing special developmental challenges [5].

**1. Methodological Framework of the Research:**

**1.1. Research Problem:**

The study's problem can be stated in the following main question: "What is the impact of the adoption of strategic management accounting on the enhancement of competitiveness in commercial companies in Salah Al-Din Governorate?"

From this main question, the following sub-questions emerge:

1. How do cost management strategies impact the competitiveness of commercial companies in Salah Al-Din Governorate?
2. How does strategic performance measurement influence the competitiveness of commercial companies in Salah Al-Din Governorate?
3. To what extent does competitor analysis affect the competitiveness of commercial companies based in Salah Al-Din Governorate?

**1.2. Importance of the Research:**

This research is important in three main areas:

1. Theoretical Importance: This paper contributes to the limited literature on strategic management accounting and competitiveness in Iraq and provides valuable insights into the role of accounting strategies in developing competitive capabilities in Iraqi organizations by presenting an analytical model that can be applied in future studies [6].
2. Applied Importance: The results of the study can be utilized by the companies of Salah Al-Din Governorate to adopt and employ strategic management accounting tools and techniques in a more effective manner, which will subsequently improve their performance and help them achieve their strategic goals. These results are also applicable to commercial companies in other Iraqi governorates that are facing similar problems [7].
3. Methodological Importance: This study provided an analytical model that could be utilized in similar studies addressing other commercial entities, with consideration for the peculiarities of the Iraqi context and business environment. It also based itself on a substantial scientific methodology for measuring impact relationships.

**1.3. Research Objectives:**

The research aims to:

1. Identify the effect of cost management strategies on the competitiveness of commercial companies in Salah Al-Din Governorate.
2. Identify the effect of strategic performance measurement on the competitiveness of commercial companies in Salah Al-Din Governorate.
3. Identify the effect of competitor analysis on the competitiveness of commercial companies in Salah Al-Din Governorate.
4. Develop a theoretical and applied framework linking the adoption of strategic management accounting with competitiveness in Iraqi business environment.

**1.4. Research Hypotheses:**

Main Hypothesis: The adoption of strategic management accounting has a statistically significant overall effect on the competitiveness of commercial companies in Salah Al-Din Governorate.

Sub-hypotheses:

1. There is a statistically significant influence of cost management strategies on the competitiveness of firms in Salah Al-Din Governorate.
2. There is a statistical significance between strategic performance measurement and the competitiveness of firms in Salah Al-Din Governorate.
3. Competitor analysis has a statistically significant impact on the competitiveness of businesses in Salah Al-Din Governorate.

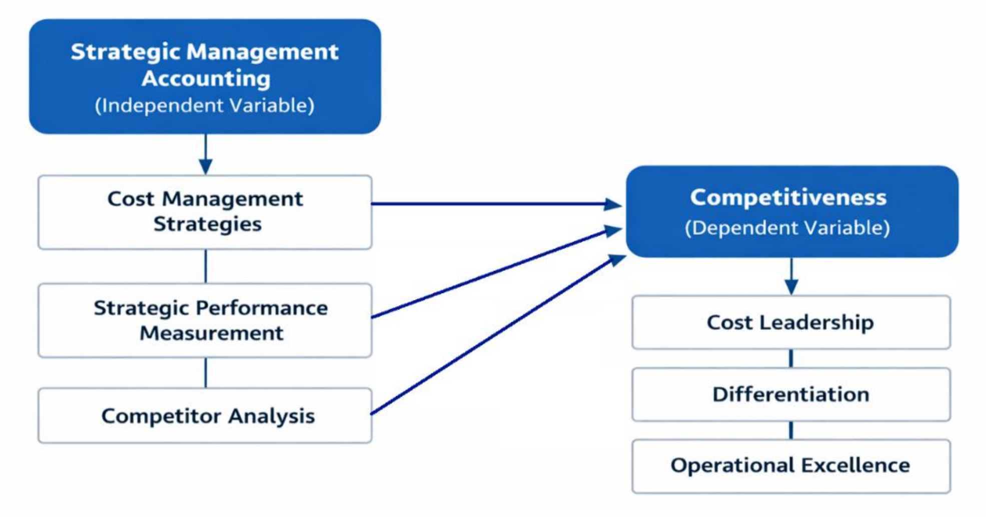
**1.5. Scope of the Research:**

1. Subject scope: This research examines the dimensions of strategic management accounting (cost management strategies, strategic performance measurement, competitor analysis) and their impact on competitiveness (cost leadership, differentiation, operational excellence).
2. Geographical scope: The research is limited to commercial companies operating in Salah Al-Din Governorate, Iraq.
3. Temporal scope: The research covers the period from January 2025 to June 2025.
4. Human scope: The research examines the opinions of managers and financial officers in commercial companies operating in Salah Al-Din Governorate.

**1.6. Research Terminology:**

1. Strategic Management Accounting: This is a set of accounting techniques and tools that focus on providing strategic information to support decision-makers in achieving competitive advantage. It includes strategic cost analysis, strategic performance measurement, and competitor analysis [8].
2. Competitive Advantage: This is the ability of an organization to outperform its competitors in the market. It is represented by the ability to deliver greater value to customers through cost leadership, differentiation, or operational excellence [9].

**1.7. Hypothetical diagram of Research:**




**2. Theoretical Framework and Previous Studies:**

**2.1. Theoretical Framework:**

**2.1.1. Strategic Management Accounting:**

Strategic management accounting is considered a qualitative development in management accounting, as it broadens the perspective from an organization's internal environment to its external environment, competitors, and general market conditions. This accounting variant is based on the premise that accounting information should be consistent with the strategic objectives of an organization and support the achievement of sustainable competitive advantage [10].

**2.1.1.1. Importance of Strategic Management Accounting:**

The importance of managerial accounting stems from several important aspects:

1. It assists in making decisions related to major strategies such as expansion, mergers and acquisitions, or diversification through the provision of relevant and reliable information [11].
2. It aids in the identification and analysis of strategic costs to facilitate the achievement of minimum costs [12].
3. It involves forwarding information regarding competitors and examining their strengths and weaknesses to assist in formulating effective strategies [13].

**2.1.1.2. Dimensions of Strategic Management Accounting:**

1. Cost Management Strategies:

This part talks about the ways and methods used to handle costs in a smart way that helps reach competitive goals. It includes:

- Value Chain Analysis
- Target Costing
- Activity-Based Costing
- Total Quality Costing

A study by [1] confirmed that companies adopting integrated cost management strategies can achieve significant cost reductions without compromising product quality, thus enhancing their competitiveness.

2. Strategic Performance Measurement:

This aspect deals with the creation of strategic performance indicators that connect strategic goals with operational metrics. It encompasses:

- Balanced Scorecard
- Financial and Non-Financial Indicators

- Strategy-Related Performance Measures

Al-Harbi emphasizes that strategic performance measurement helps companies translate their strategic vision into measurable and achievable goals [2].

3. Competitor Analysis:

This dimension emphasizes the collection and analysis of data concerning competitors, which is instrumental in the development of competitive strategies. It encompasses:

- Strategic Positioning Analysis
- Target Costing
- Competitor Value Chain Analysis

Al-Anzi indicates that competitor analysis gives companies a clear view of competitive gaps and helps identify opportunities for improvement [3].

**2.1.2. Competitiveness:**

Competitiveness is a key concept in strategy management. This concept refers to the ability of a company or an organization to outperform its rivals within the same industry. Porter's model of competitiveness offers three generic strategies that one firm can choose from in order to gain a competitive edge over other firms within the industry [9].

**2.1.2.1. Importance of Competitiveness:**

1. Guaranteeing Continuity and Expansion: In a competitive environment, having competitiveness allows companies to maintain their market share and achieve sustainable growth [14].
2. Reaching Long-lasting Profitability: Competitiveness helps maximize profit by offering more value to customers [15].
3. Building Resilience Against Threats: Competitive companies are more capable of tackling outside challenges and dangers [4].

**2.1.2.1. Dimensions of Competitiveness:**

1. Cost Leadership:

The ability to provide products or services at the most economical price within the industry without compromising on quality standards. This strategy hinges on:

- Achieving economies of scale
- High operational efficiency
- Precise cost control

2. Differentiation:

The strategy focuses on offering unique products or services that are perceived by customers as highly valuable. Differentiation may be achieved through the following elements:

- Superior quality
- Innovation and distinctive design
- Outstanding customer service

3. Operational Excellence:

This is centered around attaining high levels of operational efficiency by enhancing internal processes, simplifying procedures, and applying modern technology.

**2.1.3. The Relationship between the Two Variables:**

There is a complementary relationship between strategic management accounting and competitiveness. On one hand, strategic accounting offers the tools and data needed to create and execute competitive strategies. On the other hand, competitiveness determines what information needs to be fulfilled by strategic accounting. Without strategic accounting, there is an absence of competitiveness, while without competitiveness, the purpose of the strategic direction for accounting information becomes unclear [5].

**2.2. Literature Review:**

**2.2.1. Previous Studies:**

1. Alawattage & Wickramasinghe study focused on the role of management accounting in changing economic environments, paying particular attention to the applications of strategic management accounting within emerging markets. A review was conducted of previous literature about strategic management accounting practices in developing countries. The findings indicated that value chain analysis, competitor analysis, and strategic performance measurement tools support strategic decision-making and enhance an organization's competitiveness. Further, it was determined that adopting these practices improves resource utilization and helps companies reach a sustainable competitive advantage [12].
2. Al-Ghamdi paper attempted to study the impact of strategic management accounting on the competitive edge of industrial firms in Saudi Arabia. The research followed a descriptive-analytical methodology, with primary data acquired through a questionnaire handed out to managers and accountants in various industrial companies. Some studies have noted that the complete use of strategic management accounting practices helps improve the competitive abilities of firms. Moreover, strategic performance measurement is more influential in enhancing competitiveness than traditional accounting techniques [1].
3. Al-Maliki study examined the extent of applying strategic management accounting practices in Omani companies and their role in supporting strategic decisions and enhancing competitiveness. Using a descriptive-analytical method, data were obtained from a questionnaire distributed among managers and accountants in different sectors. The findings revealed that strategic management accounting techniques enhance planning, control, and decision-making processes. Competitor analysis emerged as one of the most effective tools in fortifying competitiveness by offering strategic information regarding the competitive environment. This study suggested increasing the application of these tools for attaining sustainable competitive advantage [16].
4. The study by Al-Otaibi examined how strategic management accounting could help private healthcare institutions achieve a competitive edge. The research was conducted using a descriptive-analytical approach, and data were collected via questionnaires from managers and accountants. The findings revealed that the use of strategic management accounting techniques such as strategic cost analysis, competitor analysis, and strategic performance measurement improves competitiveness and aids in the process of strategic decision-making. This study suggested the promotion of these techniques and the development of an accounting information system for enhancing organizational performance as well as competitiveness [17].
5. Chenhall & Langfield-Smith studied the relationship between the use of strategic management accounting practices and competitive performance in Australian companies. The study assessed the extent of application of tools and techniques of strategic management accounting, such as competitor analysis, value chain analysis, and systems for measuring strategic performance, as well as their role in providing information for management decisions related to strategy management. The descriptive-analytical method was used to collect data through a questionnaire distributed to a sample of managers and accountants in several Australian companies operating in various industrial and service sectors. Results indicated that

using practices related to strategic management accounting is statistically significantly positively associated with enhanced competitive performance since these practices improve resource use efficiency enhance the quality of accounting information applied in making strategic decisions support the company's potential to gain a competitive edge within its markets [18].

6. The study by Waweru sought to assess changes in management accounting practices in companies from developing countries, with an emphasis on those from Kenya, against the backdrop of economic and competitive changes that these companies face. It also aimed at demonstrating how much strategic management accounting tools and techniques are being adopted and their role in supporting management decision-making as well as enhancing organizational competitiveness. The study used a descriptive-analytical approach where a questionnaire was the main data collection tool from a sample of managers and accountants working in some Kenyan firms. The results indicated that strategic management accounting practices such as competitor analysis, strategic cost management, and the use of strategic performance indicators significantly contribute to improving organizational performance and enhancing a firm's competitiveness. This study also indicated that changes in management accounting systems are merely an automatic response to competitive pressures and technological and economic developments in the business environment that improve firm capabilities toward achieving sustainable competitive advantage [19].

**2.2.2. Commentary on Previous Studies:**

Several authors have studied the impacts of strategic management accounting tools such as cost management strategies, strategic performance measurement, and competitor analysis on improving organizational performance and enhancing competitive advantage. Most studies indicate a positive relationship at the corporate level between the application of strategic management accounting practices and improved competitiveness. Though important and academically relevant, most have been applications in developed countries or some emerging economies like Australia, Kenya, and GCC countries. The Iraqi context clearly shows a lack of studies on this topic in the commercial sector; some have considered specific industrial or service sectors thereby underscoring the need for applied studies over diversified economic sectors. This study is therefore relevant as it attempts to close this gap by assessing how strategic management accounting can improve the competitiveness of commercial companies within Salah Al-Din Governorate. Hence it adds an applied dimension to existing literature on accounting within the Iraqi context.

**3. Research Methodology and Tools**

The study used a descriptive-analytical-exploratory approach. The descriptive approach was used to describe the phenomenon and its characteristics, the analytical one was used to interpret the relationship between variables, and the exploratory approach helped measure the opinions of the sample about this research topic.

**3.1. Research Population:**

The study population encompasses all managers and financial officers in commercial companies located in Salah Al-Din Governorate, specifically:

- Food trading companies
- Construction materials trading companies
- Tools and equipment trading companies
- Clothing and fabric trading companies
- Electronics trading companies

The total number of companies in the research community is (320) licensed and operating commercial companies in Salah Al-Din Governorate.

**3.2. Research Sample:**

A stratified random sample of 200 managers and financial officers was selected that represented 62.5% of the research population. The sample size was determined using the Cochrane formula:

$$n = frac\,\{N\,z^2\,p\,(1 - p)\}\,\{e^2\,(N - 1) + z^2\,p\,(1 - p)\}$$

Where:

- Z = 1.96 (95% confidence level)
- p = 0.5 (predicted frequency)
- q = 0.5
- e = 0.05 (sampling error)

**Table 1.** Distribution of the Research Sample according to Type of Commercial Activity.

| # | Type of Commercial Activity | Number of Companies in the Sample | Percentage |
|---|---|---|---|
| 1 | Food Trading | 45 | 22.5% |
| 2 | Construction Materials Trading | 38 | 19.0% |
| 3 | Tools and Equipment Trading | 32 | 16.0% |
| 4 | Clothing and Fabrics Trading | 42 | 21.0% |
| 5 | Electronic Devices Trading | 43 | 21.5% |
| | Total | 200 | 100% |

Source: The table was designed by the researcher using the questionnaire form.

The structure of the companies that do business in the Governorate is as follows: There is a general manager, a financial manager, sales managers, purchase managers, and accounting staff. This structure also indicates what administrative levels are included in the study.

**3.3. The research instrument (questionnaire):**

A 36-item questionnaire was designed covering the dimensions of the study variables with six items for each dimension. The scale used for the responses was a five-point Likert scale from strongly agree (5) to strongly disagree (1). Validity was achieved through a panel of seven expert judges who were professors in accounting and management from different Iraqi universities, while reliability was tested using Cronbach's alpha.

**Table 2.** Distribution of Questionnaire Items.

| Variable / Dimension | Number of Items | Item Codes |
|---|---|---|
| **Independent variable: Strategic management accounting** | 18 | |
| Cost management strategies | 6 | 1-6 |
| Strategic performance measurement | 6 | 7-12 |
| Competitor analysis | 6 | 13-18 |
| **Depending variable: Competitiveness** | 18 | |
| Cost leadership | 6 | 19-24 |
| Differentiation | 6 | 25-30 |
| Operational excellence | 6 | 31-36 |
| **Total** | 36 | |

Source: The table was designed by the researcher using the questionnaire form.

**4. Exploratory Study and Statistical Analysis:**

The researcher administered 200 questionnaires, of which 195 were returned, indicating a response rate of 97.5%. Five questionnaires were eliminated due to incomplete data, resulting in 190 questionnaires that were eligible for statistical analysis or 95% of those distributed. The data were analyzed using a statistical package (SPSS V.26), and the analysis included:

**4.1. Demographic characteristics of the sample:**

**Table 3.** Distribution of the Sample by Gender.

| Gender | Frequency | Percentage | Cumulative Percentage |
|---|---|---|---|
| Male | 142 | 74.7% | 74.7% |
| Female | 48 | 25.3% | 100.0% |
| Total | 190 | 100.0% | |

Source: The table was designed by the researcher using the questionnaire form.

Table (3) shows the gender distribution of the sample surveyed, with males representing 74.7% of the sample. This is consistent with what is usually seen in Iraqi commercial institutions, where females are rarely found in administrative and financial management positions. Development programs should consider this group's needs and provide an environment that will enable them to increase their participation in future management.

**Table 4.** Distribution of the Sample by Age Group.

| Age Group | Frequency | Percentage | Cumulative Percentage |
|---|---|---|---|
| 25–35 years | 68 | 35.8% | 35.8% |
| 36–45 years | 89 | 46.8% | 82.6% |
| 46 years and above | 33 | 17.4% | 100.0% |
| Total | 190 | 100.0% | |

Source: The table was designed by the researcher using the questionnaire form.

Table (4) reveals that most participants, i.e. 46.8% are in the age group of 36 to 45 years and 35.8% belong to the age bracket of 25 to 35 years. This distribution depicts the trend whereby financial and leadership positions in commercial companies are generally occupied by individuals from middle and younger age groups. It is indeed a positive indicator that this particular group would be more receptive to the new strategic management accounting systems as well as being capable of absorbing further advanced management concepts; thus creating an environment conducive to the implementation of contemporary accounting techniques.

**Table 5.** Distribution of the Sample by Educational Qualification.

| Educational Qualification | Frequency | Percentage | Cumulative Percentage |
|---|---|---|---|
| Diploma | 23 | 12.1% | 12.1% |
| Bachelor's Degree | 98 | 51.6% | 63.7% |
| Master's Degree | 56 | 29.5% | 93.2% |
| Doctoral Degree | 13 | 6.8% | 100.0% |
| Total | 190 | 100.0% | |

Source: The table was designed by the researcher using the questionnaire form.

Table (5) shows that most of the participants had a bachelor's degree 51.6% and a master's degree 29.5%. This indicator reflects the average to high academic level of managers and financial officers in commercial companies. This high percentage of postgraduate degree holders will facilitate their understanding of complex strategic management accounting techniques and advanced management concepts, as higher academic achievement is usually associated with better analytical skills.

**Table 6.** Distribution of the Sample by Work Experience.

| Work Experience | Frequency | Percentage | Cumulative Percentage |
|---|---|---|---|
| 5 years or less | 34 | 17.9% | 17.9% |

| | | | |
|---|---|---|---|
| 6–10 years | 52 | 27.4% | 45.3% |
| 11–15 years | 61 | 32.1% | 77.4% |
| 16 years and above | 43 | 22.6% | 100.0% |
| Total | 190 | 100.0% | |

Source: The table was designed by the researcher using the questionnaire form.

Table (6) shows that the majority of participants (32.1%) have between 11 and 15 years of experience, and (27.4%) have between 6 and 10 years. This combination of medium to long-term experience and a relatively average age represents a tremendous human resource, as extensive experience enables effective judgment on the success of strategic management accounting systems and the ability to distinguish between beneficial and traditional systems. This necessitates that companies design advanced training programs commensurate with this deep expertise.

**Table 7.** Distribution of the Sample by Company Size (Number of Employees).

| Company Size | Frequency | Percentage | Cumulative Percentage |
|---|---|---|---|
| Small (10–50) | 67 | 35.3% | 35.3% |
| Medium (51–250) | 89 | 46.8% | 82.1% |
| Large (251 and above) | 34 | 17.9% | 100.0% |
| Total | 190 | 100.0% | |

Source: The table was designed by the researcher using the questionnaire form.

Table (7) shows that the majority of the surveyed companies (46.8%) are medium-sized companies, followed by small companies (35.3%). This distribution reflects the nature of the commercial sector in Salah Al-Din Governorate, which is predominantly small and medium-sized, thus affecting these companies' ability to adopt complex strategic accounting systems and necessitating the adaptation of these systems to their limited capabilities.

**4.2. Reliability and reliability coefficient (Cronbach′s alpha):**

The reliability of the questionnaire was measured using Cronbach's alpha coefficient, and the results showed good to excellent levels of reliability for all variables and dimensions.

**Table 8.** Reliability and Internal Consistency Coefficient (Cronbach's Alpha).

| Variable / Dimension | Number of Items | Cronbach's Alpha | Level |
|---|---|---|---|
| **Independent Variable: Strategic Management Accounting** | 18 | 0.891 | Very High |
| - Cost Management Strategies | 6 | 0.834 | Very High |
| - Strategic Performance Measurement | 6 | 0.856 | Very High |
| - Competitor Analysis | 6 | 0.812 | Very High |
| **Dependent Variable: Competitiveness** | 18 | 0.873 | Very High |
| - Cost Leadership | 6 | 0.845 | Very High |
| - Differentiation | 6 | 0.798 | Good / High |
| - Operational Excellence | 6 | 0.867 | Very High |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (8) shows that all Cronbach's alpha values exceed the statistically acceptable lower limit (0.70), and most even exceed (0.80). The value (0.891) for the independent variable and (0.873) for the dependent variable reflect a high degree of internal consistency among the items, which confirms the reliability of the instrument and the accuracy of the results obtained.

**4.3. Frequencies and percentages of respondents' answers:**

**Table 9.** Frequency Distribution and Descriptive Statistics of Responses on Cost Management Strategies.

| # | Item | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Mean | Std. Deviation | Rank |
|---|---|---|---|---|---|---|---|---|---|
| 1 | The company uses value chain analysis to identify sources of competitive advantage. | 45 (23.7%) | 89 (46.8%) | 38 (20.0%) | 15 (7.9%) | 3 (1.6%) | 3.84 | 0.92 | **3** |
| 2 | The company applies the Activity-Based Costing (ABC) system. | 52 (27.4%) | 78 (41.1%) | 41 (21.6%) | 16 (8.4%) | 3 (1.6%) | 3.88 | 0.94 | **2** |
| 3 | The company uses target costing in product pricing. | 38 (20.0%) | 71 (37.4%) | 52 (27.4%) | 24 (12.6%) | 5 (2.6%) | 3.60 | 0.98 | **6** |
| 4 | Management pays attention to total quality cost analysis. | 48 (25.3%) | 82 (43.2%) | 39 (20.5%) | 18 (9.5%) | 3 (1.6%) | 3.82 | 0.93 | **4** |
| 5 | The company uses cost management techniques to achieve economies of scale. | 56 (29.5%) | 85 (44.7%) | 31 (16.3%) | 15 (7.9%) | 3 (1.6%) | 3.94 | 0.91 | **1** |
| 6 | The company links cost strategies with strategic objectives. | 41 (21.6%) | 76 (40.0%) | 48 (25.3%) | 21 (11.1%) | 4 (2.1%) | 3.68 | 0.96 | **5** |
| | Overall Mean of the Dimension | | | | | | **3.79** | **0.94** | |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

The average in Table (9) shows that the total level of cost management strategies is good, with an average of (3.79) from a maximum of (5). This means that commercial companies use these strategies somewhat to a large extent. The fifth item, which concerns the use of cost management techniques to realize economies of scale, has the highest average at (3.94). This means that companies are keen on achieving economies of scale as a source of competitive advantage.

**Table 10.** Frequency Distribution and Descriptive Statistics of Responses on Strategic Performance Measurement.

| # | Item | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Mean | Std. Deviation | Rank |
|---|---|---|---|---|---|---|---|---|---|
| 7 | The company uses the Balanced Scorecard (BSC) to measure performance. | 62 (32.6%) | 91 (47.9%) | 28 (14.7%) | 7 (3.7%) | 2 (1.1%) | 4.07 | 0.82 | **1** |
| 8 | The company links financial and non-financial indicators in evaluation. | 58 (30.5%) | 87 (45.8%) | 32 (16.8%) | 11 (5.8%) | 2 (1.1%) | 3.99 | 0.87 | **2** |
| 9 | The company uses performance indicators aligned with strategy. | 54 (28.4%) | 83 (43.7%) | 38 (20.0%) | 13 (6.8%) | 2 (1.1%) | 3.92 | 0.89 | **3** |
| 10 | Management conducts periodic reviews of strategic indicators. | 49 (25.8%) | 79 (41.6%) | 43 (22.6%) | 16 (8.4%) | 3 (1.6%) | 3.82 | 0.93 | **5** |
| 11 | The company uses benchmarking standards. | 51 (26.8%) | 81 (42.6%) | 40 (21.1%) | 15 (7.9%) | 3 (1.6%) | 3.86 | 0.91 | **4** |
| 12 | The company links employee rewards to strategic indicators. | 46 (24.2%) | 74 (38.9%) | 48 (25.3%) | 19 (10.0%) | 3 (1.6%) | 3.74 | 0.95 | **6** |
| | Overall Mean of the Dimension | | | | | | **3.90** | **0.90** | |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (10) shows that the overall arithmetic mean for the strategic performance measurement dimension was (3.90), which is higher than the cost management strategies dimension, indicating greater interest in this dimension among commercial companies. Item seven, regarding the use of the balanced scorecard, received the highest mean (4.07), reflecting the widespread use of this tool in companies.

**Table 11.** Frequency Distribution and Descriptive Statistics of Responses on Competitor Analysis.

| # | Item | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Mean | Std. Deviation | Rank |
|---|---|---|---|---|---|---|---|---|---|
| 13 | The company collects regular information about competitors' prices and strategies. | 48 (25.3%) | 79 (41.6%) | 42 (22.1%) | 18 (9.5%) | 3 (1.6%) | 3.80 | 0.94 | **3** |
| 14 | The company uses competitive positioning analysis to determine its market position. | 44 (23.2%) | 76 (40.0%) | 48 (25.3%) | 19 (10.0%) | 3 (1.6%) | 3.73 | 0.95 | **5** |
| 15 | The company conducts periodic analysis of competitors' costs. | 41 (21.6%) | 72 (37.9%) | 51 (26.8%) | 23 (12.1%) | 3 (1.6%) | 3.68 | 0.97 | **6** |
| 16 | The company uses competitors' information in pricing decisions. | 52 (27.4%) | 84 (44.2%) | 38 (20.0%) | 14 (7.4%) | 2 (1.1%) | 3.90 | 0.89 | **2** |
| 17 | Management is concerned with analyzing competitors' strengths and weaknesses. | 56 (29.5%) | 88 (46.3%) | 32 (16.8%) | 12 (6.3%) | 2 (1.1%) | 3.96 | 0.87 | **1** |
| 18 | The company uses SWOT analysis for strategic competition. | 50 (26.3%) | 80 (42.1%) | 42 (22.1%) | 15 (7.9%) | 3 (1.6%) | 3.82 | 0.92 | **4** |
| | Overall Mean of the Dimension | | | | | | **3.82** | **0.92** | |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (11) shows that the overall arithmetic mean for the competitor analysis dimension was (3.82), a good level indicating a moderate to high level of interest in competitor analysis. Item seventeen, concerning competitor strengths and weaknesses analysis, received the highest mean (3.96), reflecting managerial awareness of the importance of understanding competitors.

**Table 12.** Frequency Distribution and Descriptive Statistics of Responses on Cost Leadership.

| # | Item | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Mean | Std. Deviation | Rank |
|---|---|---|---|---|---|---|---|---|---|
| 19 | The company can offer lower prices than competitors for the same quality. | 55 (28.9%) | 86 (45.3%) | 35 (18.4%) | 12 (6.3%) | 2 (1.1%) | 3.95 | 0.88 | **1** |
| 20 | The company achieves cost savings that enable effective competition. | 53 (27.9%) | 84 (44.2%) | 38 (20.0%) | 13 (6.8%) | 2 (1.1%) | 3.92 | 0.89 | **2** |
| 21 | The company uses modern techniques to reduce production costs. | 49 (25.8%) | 79 (41.6%) | 43 (22.6%) | 16 (8.4%) | 3 (1.6%) | 3.81 | 0.93 | **4** |
| 22 | The company can adjust prices quickly in response to competitors. | 47 (24.7%) | 76 (40.0%) | 46 (24.2%) | 18 (9.5%) | 3 (1.6%) | 3.78 | 0.95 | **5** |
| 23 | The company maintains good profit margins despite lower prices. | 44 (23.2%) | 74 (38.9%) | 49 (25.8%) | 20 (10.5%) | 3 (1.6%) | 3.73 | 0.96 | **6** |
| 24 | The company benefits from purchase volume to achieve cost reductions. | 51 (26.8%) | 82 (43.2%) | 40 (21.1%) | 14 (7.4%) | 3 (1.6%) | 3.85 | 0.91 | **3** |
| | Overall Mean of the Dimension | | | | | | **3.84** | **0.92** | |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (12) shows high levels of agreement on the cost leadership items among the research sample (n=188), with the arithmetic mean ranging from 3.73 to 3.95 (overall mean 3.84, standard deviation 0.92), indicating a strong positive evaluation (higher than the theoretical mean of 3.00).

Item 19 took first place by offering lower prices for the same quality at 3.95 with 74.2% agreeing or strongly agreeing followed by item 20 regarding cost savings at 3.92 and item 24 concerning reductions in purchase volume rated at 3.85; all these have very low standard deviations between .88 and .96 indicating homogeneity of opinions and that positive responses are more than seventy percent for the top items.

These results reflect the strength of cost leadership strategies among the targeted companies, supporting the research hypotheses related to competitiveness.

**Table 13.** Frequency Distribution and Descriptive Statistics of Responses on Differentiation.

| # | Item | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Mean | Std. Deviation | Rank |
|---|---|---|---|---|---|---|---|---|---|
| 25 | The company offers unique products/services distinct from competitors. | 58 (30.5%) | 89 (46.8%) | 32 (16.8%) | 9 (4.7%) | 2 (1.1%) | 4.01 | 0.85 | **1** |
| 26 | The company's products are characterized by high quality recognized by customers. | 62 (32.6%) | 87 (45.8%) | 30 (15.8%) | 9 (4.7%) | 2 (1.1%) | 4.04 | 0.84 | **1** |
| 27 | The company uses innovation in designing its products/services. | 54 (28.4%) | 82 (43.2%) | 40 (21.1%) | 12 (6.3%) | 2 (1.1%) | 3.91 | 0.89 | **3** |
| 28 | The company provides distinguished customer service compared to competitors. | 56 (29.5%) | 85 (44.7%) | 36 (18.9%) | 11 (5.8%) | 2 (1.1%) | 3.96 | 0.87 | **2** |
| 29 | The company has a strong market reputation. | 51 (26.8%) | 80 (42.1%) | 42 (22.1%) | 14 (7.4%) | 3 (1.6%) | 3.83 | 0.91 | **4** |
| 30 | The company can justify higher prices due to quality differentiation. | 48 (25.3%) | 78 (41.1%) | 44 (23.2%) | 17 (8.9%) | 3 (1.6%) | 3.79 | 0.93 | **5** |
| | Overall Mean of the Dimension | | | | | | **3.92** | **0.88** | |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (13) presents the distribution of responses from the study sample (n=190) regarding the items on the differentiation dimension. The average scores ranged from 3.79 to 4.04, with a general average of 3.92 and a standard deviation of 0.88, showing strong positive consensus on most statements. Product quality (4.04) and differentiation (4.01), following customer service (3.96), were rated next, while price justification came in last at 3.79; all these values are indicative of strong perception toward competitive differentiation due to high percentages of "strongly agree" and "agree" responses (70-78%) with low standard deviations (<0.95). These results would support the differentiation hypothesis as a strategic factor in improving market performance through innovation and reputation enhancement.

**Table 14.** Frequency Distribution and Descriptive Statistics of Responses on Operational Excellence.

| # | Item | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Mean | Std. Deviation | Rank |
|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 31 | The company's operations are characterized by efficiency and speed of execution. | 59 (31.1%) | 88 (46.3%) | 32 (16.8%) | 9 (4.7%) | 2 (1.1%) | 4.02 | 0.84 | **1** |
| 32 | The company uses advanced technology in its operational processes. | 55 (28.9%) | 84 (44.2%) | 37 (19.5%) | 12 (6.3%) | 2 (1.1%) | 3.94 | 0.88 | **2** |
| 33 | The company has high flexibility in meeting customer needs. | 52 (27.4%) | 81 (42.6%) | 41 (21.6%) | 14 (7.4%) | 2 (1.1%) | 3.88 | 0.90 | **4** |
| 34 | The company achieves high productivity rates compared to competitors. | 50 (26.3%) | 79 (41.6%) | 43 (22.6%) | 15 (7.9%) | 3 (1.6%) | 3.84 | 0.92 | **5** |
| 35 | The company uses certified quality systems in its operations. | 54 (28.4%) | 83 (43.7%) | 39 (20.5%) | 12 (6.3%) | 2 (1.1%) | 3.91 | 0.89 | **3** |
| 36 | The company effectively reduces waste of resources. | 57 (30.0%) | 85 (44.7%) | 35 (18.4%) | 11 (5.8%) | 2 (1.1%) | 3.97 | 0.86 | **2** |
| | Overall Mean of the Dimension | | | | | | **3.93** | **0.88** | |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (14) shows that the study sample of 190 people were in high agreement with the items of operational excellence. This is proven by means that range from 3.84 to 4.02 (overall mean 3.93), which correspond to levels of "strongly agree" and "strongly agree" on a five-point Likert scale. The execution efficiency scored highest at 4.02 (ranked first), followed by waste reduction at 3.97 (ranked second), then technology use at 3.94 (ranked third). Relative productivity scored lowest with a value of 3.84 (ranked fifth). The low standard deviations ranging from 0.84 to 0.92 signify homogeneity of opinions and thus substantiate the strength of this operational dimension in the target company.

### 4.4. Testing the Research Hypotheses:

The hypotheses were tested using multiple linear regression analysis, which estimates both the strength of the relationship between independent and dependent variables as well as the proportion of variance explained.

#### 4.4.1. First Hypothesis:

"There is a statistically significant effect of cost management strategies on the competitiveness of commercial companies in Salah Al-Din Governorate."

**Table 15.** Results of Testing the First Hypothesis.

| Variable | R | $R^2$ | F | B | t | Sig. | Result |
|---|---|---|---|---|---|---|---|
| Cost Management Strategies | 0.587 | 0.345 | 99.847 | 0.412 | 9.992 | 0.000 | Supported |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (15) shows a detailed statistical analysis of the effect of cost management strategies on competitiveness. The table starts with the value of the correlation coefficient (R), which is equal to 0.587, indicating that there is a strong positive relationship between cost management strategies and competitiveness. This means that increasing efforts in implementing cost management strategies will be closely linked with increased competitiveness.

The value for the coefficient of determination ($R^2$) is 0.345; this implies that the variance in competitiveness explained by cost management strategies is 34.5%. This high percentage further strengthens the dimension's role in improving and enhancing business competitiveness.

The F-value of 99.847 also confirms a strong relationship between independent and dependent variables since it represents a highly statistically significant relationship. The regression coefficient (B) is 0.412, which means if one unit increases in cost management strategies, then there will be an increase of 0.412 units in competitiveness; thus, it can be said that any effort toward bettering costs directly impacts improving competition among firms. Lastly, the significance value (Sig.) of 0.000 denotes how highly statistically significant this effect is since it falls much below the general threshold level for significance set at 0.05.

Thus, based on all these findings, accept the first hypothesis which states that there exists a statistically significant positive relationship between cost management strategies and competitiveness.

**4.4.2. Second hypothesis:**

"There is a statistically significant effect of strategic performance measurement on the competitiveness of commercial companies in Salah Al-Din Governorate."

**Table 16.** Results of Testing the Second Hypothesis.

| Variable | R | $R^2$ | F | B | t | Sig. | Result |
|---|---|---|---|---|---|---|---|
| Strategic Performance Measurement | 0.618 | 0.382 | 116.943 | 0.438 | 10.814 | 0.000 | Supported |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

The findings in table (16) show that there is a very strong positive relationship between strategic performance measurement and competitiveness, greater than what was found in the first hypothesis. The correlation coefficient R = 0.618 indicates this fact.

The coefficient of determination $R^2$ = 0.382 implies that strategic performance measurement accounts for 38.2% of the variation in competitiveness; this is also the highest percentage among three dimensions of strategic management accounting, which means that this dimension has the most significant effect on competitiveness.

The F-value of 116.943 validates both the model and its strength in describing the relationship between variables, while regression coefficient B = 0.438 shows that among all predictors, strategic performance measurement carries the most substantial weight—an increase by one unit will result in an increase in competitiveness by 0.438 units.

Given a significance value of Sig.=0.000, it can be said with utmost confidence that such a positive effect is statistically significant; hence, the second hypothesis shall be accepted with great strength.

**4.4.3. Third hypothesis:**

"Competitor analysis has a statistically significant effect on the competitiveness of commercial companies in Salah Al-Din Governorate."

**Table 17.** Results of Testing the Third Hypothesis.

| Variable | R | $R^2$ | F | B | t | Sig. | Result |
|---|---|---|---|---|---|---|---|
| Competitor Analysis | 0.532 | 0.283 | 74.382 | 0.356 | 8.624 | 0.000 | Supported |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (17) shows a full statistical view about the effect of competitor analysis on competitiveness. The correlation coefficient (R = 0.532) shows a moderate to strong positive link between competitor analysis and competitiveness. The coefficient of determination ($R^2 = 0.283$) means that competitor analysis explains 28.3% of the changes in competitiveness. This part is less than that for other dimensions but still important from a statistical point of view. The F-value of 74.382 validates the statistical model, while the regression coefficient (B = 0.356) suggests a moderate positive impact of competitor analysis on competitiveness. The significance value (Sig. = 0.000) establishes that this effect is very highly statistically significant and thus leads to accepting the third hypothesis.

**4.4.4. Main hypothesis:**

"There is a statistically significant overall effect of adopting strategic management accounting on the competitiveness of commercial companies in Salah Al-Din Governorate."

**Table 18.** Results of Testing the Main Hypothesis (Multiple Regression).

| Variable | B | Std. Error | Beta | t | Sig. | Interpretation |
|---|---|---|---|---|---|---|
| Constant | 0.847 | 0.234 | – | 3.620 | 0.000 | – |
| Cost Management Strategies (X1) | 0.298 | 0.078 | 0.312 | 3.821 | 0.000 | Significant Effect |
| Strategic Performance Measurement (X2) | 0.352 | 0.082 | 0.368 | 4.293 | 0.000 | Significant Effect |
| Competitor Analysis (X3) | 0.241 | 0.071 | 0.258 | 3.395 | 0.001 | Significant Effect |

Source: The table was prepared by the researcher based on the outputs of the SPSS program.

Table (18) shows the results of the full multiple regression analysis that tests the joint effect of the three dimensions of strategic management accounting, namely: Cost management strategies, strategic performance measurement, and competitor analysis on the competitiveness of commercial companies. The value of the multiple correlation coefficient $R = 0.724$ indicates a very strong correlation between the composite independent variable and the dependent variable.

The coefficient of determination ($R^2 = 0.524$) indicates that 52.4% of variance in competitiveness is explained by this model, which is a high percentage reflecting strong predictive power and important role for these dimensions in enhancing competitiveness. Moreover, an F value equal to 68.847 with statistical significance at $p = 0.000$ ($<0.01$) confirms overall model validity hence rejecting null hypothesis and confirming that relationship is not random. Regression coefficients (Beta) express relative impacts where strategic performance measurement comes first at $\beta=0.368$ followed by cost management strategies at $\beta=0.312$ then competitor analysis at $\beta=0.258$ all statistically significant ($p<0.05$).

The mathematical model expresses this as:

$$Y = \beta_0 + 0.312X_1 + 0.368X_2 + 0.258X_3 + e$$

This supports the main hypothesis of a significant positive impact and recommending the integration of these dimensions into management policies to enhance competitiveness.

## 5. Conclusions and Recommendations:

### 5.1. Conclusions:

In light of the statistical results of the exploratory research, the following conclusions can be drawn:

1. The strong impact of strategic performance measurement: The strategic performance measurement dimension was the most influential factor in competitiveness (38.2%). It reflects the importance of using tools like the Balanced Scorecard in commercial companies. This confirms that companies measuring their performance strategically have greater competitiveness.

2. The importance of cost management strategies: Results showed this dimension explains 34.5% of the variance in competitiveness, confirming that strategic cost management contributes significantly to achieving cost leadership and price competitiveness.
3. The role of competitor analysis: Even though this dimension had the lowest impact (28.3%), it was statistically significant. This means companies that regularly analyze their competitors are able to formulate more effective competitive strategies.
4. Integration of dimensions results collectively indicated that the integration three-dimensional strategic management accounting explains 52.4% of competitiveness confirming necessary an integrated methodology in application strategic accounting.
5. The competitive environment Salah Al-Din: It is observed commercial companies governorate good level awareness regarding importance strategic management accounting but there is room for improvement particularly in competitor analysis.
6. The importance human resources has been shown companies with qualified personnel demographic data implement strategic accounting more effectively thus confirming role human resources success these systems.

**5.2. Recommendations:**

Based on the preceding results and conclusions, the researcher offers the following recommendations:

**5.2.1. Practical Recommendations:**

1. 1. Encourage the Use of the Balanced Scorecard: Since strategic performance measurement has the highest impact (38.2%), businesses should be encouraged to adopt and use the Balanced Scorecard, linking financial and non-financial indicators to their competitive strategy.
2. Develop Cost Management Systems: Companies should develop their capabilities in modern cost management techniques such as Activity-Based Costing (ABC) and Target Costing, linking these techniques with their competitive strategy.
3. Improve Competitor Analysis: It is recommended to create units or allocate resources for periodic competitor analysis, collect competitive intelligence and use tools like SWOT analysis to study competitors.
4. Build Human Capacity: Managers and accountants should be trained in strategic management accounting techniques, and specialized educational programs in this field should be developed.
5. Integrate Systems: Companies should integrate all three dimensions of strategic accounting instead of relying on only one so as to enjoy maximum benefits from these tools.

**5.2.2. Research Recommendations:**

6. Comparative studies: Since this study is exploratory and limited to one governorate, it is recommended that comparative studies be conducted in other Iraqi governorates to ensure the generalizability of the findings.
7. Studying mediating variables: It is recommended that mediating variables (such as company size, company age, and nature of activity) be studied for their impact on the relationship between strategic accounting and competitiveness.
8. Longitudinal studies: It is recommended that longitudinal studies be conducted to follow up on how the impact of strategic management accounting evolves over time in terms of competitiveness.
9. Studying other sectors: It is recommended that the study be applied to other sectors such as industry or services for cross-sectoral comparison.

Studying obstacles: It is recommended that the obstacles hindering the implementation of strategic management accounting in the Iraqi context be studied and ways to overcome them explored.

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