The Impact of Strategic Management Accounting Techniques on the Reliability of Financial Statements: A Field Study

Dr. Issam M.A. Al Taweel

Received 20/2/2023
Accepted 1/5/2023
Published 30/6/2023

Abstract:
The objective that the researcher seeks to achieve through this research is to clarify the relationship between strategic management accounting techniques and the reliability of financial statements, and to measure the impact of these techniques as an independent variable with its three dimensions, which are: activities-based cost, target cost, and benchmarking on the reliability of financial statements as a dependent variable. To achieve this objective, the researcher did the following: First: Determine the research problem through the following question: Do strategic management accounting techniques affect the reliability of financial statements in industrial companies listed on the Palestine Exchange? Second: Making the analytical descriptive approach adopted in this research; Third: Employing the questionnaire as the primary method for obtaining data from the study sample of workers in the aforementioned companies, numbering (52) respondents. Fourth: Analyzing the data based on the statistical program (SPSS) to find: (arithmetic average, standard deviation, relative weight, coefficient of variation, correlation coefficient, T-test, regression analysis, F test, and coefficient of determination), through this research, the researcher has reached several important results, the most important of which is that the reliability of the data is affected by strategic management accounting techniques in a substantial and statistically significant way.

Keywords: Strategic Management Accounting Techniques, Reliability of Financial Statements.

1. Introduction

It is no longer a secret to anyone engaged in the accounting profession that today's business organizations operate in a global environment entitled of Competition, Racing, Dynamic Features, and the Speed of Change.

This new reality has led these organizations to change their strategic orientations from objectives to ways, methods, means, and outcomes, as well as to adopt new philosophies in their respective areas of business.

Therefore, it was essential for the owners of this specialty - accounting - and those who had a relationship with or association with this specialty, primarily the men who thought of this specialty, accountants who practice this profession, and auditors, to not stop and should not only register and

- Associate Professor, Department of Accounting, Faculty of Management and Finance, Al-Aqsa University Gaza, im.altaweel@alaqsa.edu.ps. Palestine

tabulate the traditional disclosure of actual data in financial statements, but to move beyond what is more profound, more significant, more inventive, and more suited to contemporary reality with its new data, through monitoring calculations of rapid developments in the world's economies and taking advantage of this in addressing these severe complexities and confronting them through the setting of appropriate solutions to administrative decisions and the development of the Organization's resources.

Both of them (Yi & Tayles, 2009:475) emphasized the importance of employing these technologies and also emphasized the benefits of such employment, the most important of which is to discover weaknesses that need to be improved or contribute to the development of accounting systems, support competitive advantages and characteristics, and help examine the adequacy of the company's competitive position in its area of activity through its work on compiling and analyzing cost and price data, sales volume, and cash flows.

As these techniques seek to link the costs and benefits associated with products, processes, and activities so that the user's or beneficiary's benefit is cost-oriented.

Through collaboration between this method and other methods such as the target cost and the cost of the product's life cycle, management is assisted in achieving competitive characteristics and advantages that enhance the economic unit and work to ensure its survival and sustainability.

(Kiso Weigant, 1999:22), he defined accounting as a system whose mission is to compile and communicate economic data on a specific facility and deliver it to many users, both investors and suppliers, managers, and other persons whose decisions are linked to the facility's activity, and such data are very important to both investors and management, as well as to official authorities. The investors are interested in knowing the financial statements of the enterprise and the results of its business and cash flows and their purpose is to be able to evaluate the enterprise, making wise and right investment decisions. The management is interested in these data to see the outcome of their work, assess its performance during the financial period, in addition, predict outcomes for future financial periods. The official authorities are interested in these data to calculate taxes and for statistical purposes such as the calculation of the national product and economic activity.

These techniques play a great role in controlling business risks for enterprises that may cause cost increases or profit growth, and then their role in rationalizing and managing costs is demonstrated, resulting in increased profits for enterprises (Brigham & Houston, 2009), reflecting the high quality that companies' financial statements are meant to possess.

2. THE STUDY'S METHODOLOGY

Problem Statement

Based on the above, the study's problem was identified by the following main question:

Do strategic management accounting techniques impact the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange?

Three sub-questions fall from this question:

1) Do activities-based cost impact the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange?
2) Does the target cost technique impact the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange?
3) Does the benchmarking technique impact the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange?

Study Objectives

The overall objective of this study is to examine the impact of strategic management accounting techniques on the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange (PSE). Three specific sub-objectives fall under this objective and are to be achieved:

1) Demonstrating the impact of activities-based cost on the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange?
2) Determining the impact of the target cost technique on the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange?
3) Detecting the impact of the benchmarking technique on the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange?

Study Significance

1) The results of this study are a valuable addition and add new knowledge to the accounting studies on financial accounting with an interest in the reliability of the financial statements.
2) The most significant topic of this study is strategic management accounting techniques, which are one of the most essential tools for the success of companies and organizations.
3) Emphasizes the importance of strategic management accounting techniques in achieving accurate and reliable financial statements in companies.

Study Hypotheses

Based on the study's problem, its main question, as well as its specific objectives, the following main hypothesis was formulated:

There is a meaningful impact of strategic management accounting techniques on the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange (PSE).

The following sub-hypotheses are derived from the main hypothesis:

1) There is a meaningful impact of activities-based cost on the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange.
2) There is a meaningful impact of the target cost technique on the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange.
3) There is a meaningful impact of the benchmarking technique on the reliability of financial statements in industrial companies listed on the Palestine Stock Exchange.

Study Form

Presented below is the expected relationship between these variables

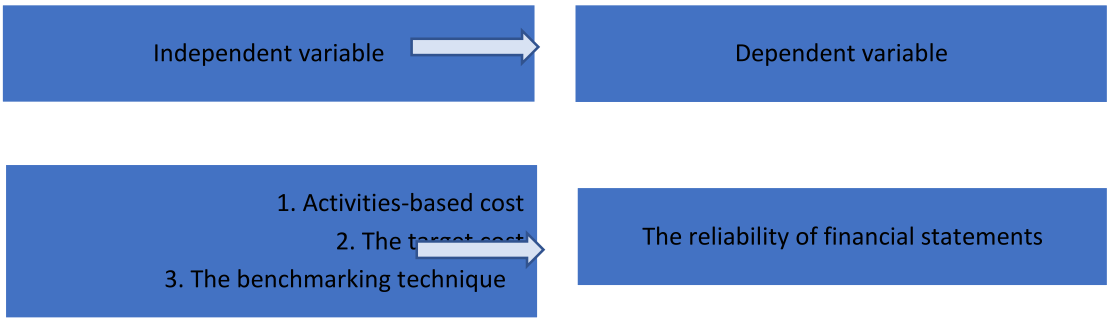

Figure (1): The expected relationship between these variables

Study Limits

1) Spatial Limits: There are 13 industrial companies listed on the Palestine Stock Exchange, according to the Palestine Stock Exchange's website, www.p-s-e. com.
2) Human Boundaries: Accountant, CFO, production manager, and company manager.
3) Temporal Limits: The duration of the study is 5 months, began in early May 2022 and through late September of the same year.

Study Sample Description

A sample of the employees of 13 companies listed on the Palestine Stock Exchange (PSE) consisted of an accountant, a financial manager, a production manager, and a company manager. The researcher distributed 4 questionnaires to each company, giving 52 questionnaires to the targets, and 43 individuals responded, i.e., the recovered questionnaire rate was 82%. All were fully conditional on the necessary analysis and testing procedures.

Table 1. The distribution of the study sample

		Number	Percentage
Specialization	Accounting	24	55.8%
	Business Administration	16	37.2%
	Finance and Banking Sciences	-	-
	Accounting Information Systems	3	7%
	Total	**43**	**100%**
Present Post	Company Manager	7	16.3%
	Financial Manager	9	20.9%
	Production Manager	11	25.6%
	Accountant	16	37.2%
	Total	**43**	**100%**
Years of Experience	1 - 5	-	-
	6 - 10	-	-
	11 - 15	5	11.6%
	16 - 20	24	55.8%
	Over 21	14	32.6%
	Total	**43**	**100%**

The previous table shows the following:

- (55.8%) Their scientific specialization is "Accounting", followed by Business Administration (37.2%), and Accounting Information Systems (7%). The results indicate that the majority of the relevant disciplines were represented in the study's sample, which strengthens the validity of its findings.
- The fact that respondents' jobs range from "company manager" (16.3%), "finance manager" (20.9%), "production manager" (25.6%), and "accountant" (37.2%) indicates that the respondents' varied job titles result in a range of viewpoints on the relevant subject, which in turn increases the validity of the findings.
- (11.6%) years of experience ranged from "11 to 15 years"; (55.8%) years of experience ranged from "over 16 to 20 years"; to (32.6%) years of experience ranged from "over 21

years". According to the findings, the majority of the study sample (100%) has more than 11 years of experience; they have sufficient experience to perform accounting work.

Study Tool

The current study used a questionnaire as a main tool for data and information collection, and its paragraphs were specially designed for this purpose and adapted to the study's objective, with two main themes:

1) The first focuses on the personal and functional characteristics of the sample of study (specialization, present position, and years of experience).
2) The second focuses on the main study variables: the dimensions of strategic management accounting techniques, which included 23 questions, and the second variable, which included 8 questions, for a total of 31 questions, drafted according to the quinquennial Likert-Scale (rare, low, medium, large, very large).

Validity of the study tool

The validity of the questionnaire has been confirmed by:

- Arbitrators' honesty (Virtual honesty): It was verified by showing a group of three qualified arbitrators the questionnaire in its preliminary form. The researcher recorded all of their observations.
- Validity of the scale:
    1) Internal validity was verified by the researcher by calculating the correlation coefficients between each paragraph of the questionnaire and the overall degree of its axis after administering the questionnaire to a survey sample of 30 individuals; the results were as follows:

Table 2. The Internal validity results

#	Correlation coefficient	#	Correlation coefficient	#	Correlation coefficient
First: Management Accounting Technique					
Activities-based cost technique		**The target cost technique**		**The benchmarking technique**	
1.	0.565**	1.	0.536**	1.	0.645**
2.	0.685**	2.	0.696**	2.	0.636**
3.	0.754**	3.	0.754**	3.	0.754**
4.	0.695**	4.	0.695**	4.	0.452*
5.	0.856**	5.	0.585**	5.	0.695**
6.	0.625**	6.	0.635**	6.	0.754**
7.	0.754**	7.	0.754**	7.	0.636**
8.	0.696**	8.	0.556**	8.	0.558**

Second: The Reliability of Statements					
1.	0.636**	4.	0.584**	7.	0.625**
2.	0.754**	5.	0.754**	8.	0.754**
3.	0.636**	6.	0.695**		

The previous table shows that the correlation coefficients between all paragraphs and the area in which they develop show that Pearson's correlation coefficients are a function of the level (0.01), and thus the paragraphs are true to what they are designed to measure.

2) Construct Validity was verified by calculating Pearson's correlation coefficients between the overall degree of each area with the overall degree of the questionnaire. Table No. (3) shows that all correlation coefficients are statistically significant at the level of 0.01.

Table 3. The Internal Validity for Management Accounting Technique Axes

Axes	Correlation coefficient	SIG Value
Activities-based cost technique	0.858**	0.00
The target cost technique	0.787**	0.00
The benchmarking technique	0.841**	0.00

3) The stability of the questionnaire paragraphs has verified the stability of the research questionnaire through the use of (Cronbach's Alpha Coefficient) on the sample's own survey data.

Table 4. Cronbach's Alpha Coefficient

Areas	Cronbach's Alpha Coefficient
Activities-based cost technique	0.865
The target cost technique	0.784
The benchmarking technique	0.865
Management accounting technique	0.896
Organizational effectiveness	0.889

In light of the foregoing results of validity and stability, it can be said that the questionnaire has become valid and is ready to be applied to the study to reach its results.

Statistical Tools

The following statistical tools have been used:

- Relative weights and frequencies: to describe the study sample.
- Arithmetic averages, and standard deviations.

- Cronbach's Alpha Coefficient: to verify the questionnaire's stability.
- Pearson's correlation coefficient: to verify internal consistency, and construct validity of the questionnaire, and the relationship between the variables.
- Standard regression factors: to measure the impact of the independent variables on the dependent variables.
- One Sample T-Test: for the difference between three and more independent samples.

3. Conceptual Framework

First: Strategic management accounting

Many experts and accounting professionals have addressed the definition and the most appropriate meaning of the preceding concept, including those who have focused their efforts on this:

- (Tenucci & Cinquini, 2010: 23) Explained that it reflects the meaning and content of management accounting that is interested in external aspects, meaning that it focuses its attention and effort on providing information relevant to the end product market, product details, competitors, and customers.
- (Lengifield-Smith, 2008: 206) It is the provision, collection, and analysis of management accounting data on the enterprise and its competitors to formulate and control the marketing business strategy within the strategic management of the enterprise's business.
- (Hoffjan & Womperner, 2006) A general framework encompassing management accounting interests in a strategic position, including the collection, revision, and analysis of data and the presentation of data and information related to the marketing environment and related areas of concern to both clients and competitors.

Researcher's definition of the strategic management accounting concept: They are practices that focus on achieving excellence in the business related to the company's internal activity and result in the information used to build and monitor business strategy.

The importance of strategic management accounting

Its importance lies in the following aspects: (Hassan, 2013:351)

- The accountant plays a significant role in the strategic decision-making process. Her practice has shifted management accounting from focusing on operational issues to focusing on strategically oriented issues through the integration of operations with financial and human resources. The organization's horizontal term has to refer to enterprises focusing on the integration of their activities through the value chain to support the client-focused strategy.
- It includes a range of strategic-oriented accounting methods that are concerned with the competitive environment, thus making the accountant an essential role in the strategic decision-making process, and here is the difference between them and management accounting in terms of the methods on which she relies and the environment on which she focuses. It can be compared through the following table below:

Comparisons	Strategic Management Accounting	Traditional Management Accounting

The methods you rely on	Strategically oriented	Operationally oriented
The environment you focus on	Competitive environment	Internal environment
Objective	Making the management accountant's role essential in strategic decision-making	Provision of information to assist management in monitoring and decision-making

- Providing the three pillars of the strategic competitive triangle makes the economic unit capable of achieving the competitive strategy. These pillars are suitable for all economic units, including non-profit units, as they also face the requirements of high quality, low cost, and fast receipt of the product or service. Balancing the strategy's three pillars has become the foundation and key to success in today's intensely competitive environment. (Bromwich: 2000:45)
- Assist in the development of advanced strategies that boost shareholders' wealth by providing and analyzing financial statements on market developments.

The researcher's vision of the importance of strategic management accounting is as follows:

- Getting the information about the enterprise's competitive market.
- Providing information regarding the market for finished products.
- Planning of the enterprise's strategy.

Characteristics of strategic management accounting

These characteristics can be summarized as follows: (Mansour, 2014:14)

1) Providing external information about competitors, customers, and suppliers is important and focused on.
2) Long-term focus and future direction.
3) Focusing not only on financial objectives, but also on non-financial objectives for decision-making. (Hilali, 2009:30)
4) Analyzing the relative cost attitude in the majority of its interests. (Mohammed, 2012:15)
5) Achieving excellence in its most important characteristics makes its products distinct, different from other products, and more acceptable and attractive.

Strategic management accounting tools

Definitely based on important tools, consisting of the following three tools:

1) Activities-Based Cost System
   This system is also intended as a system for analyzing activities in the company, collecting indirect costs for each individual activity, allocating them first to the activities in the company, and then allocating them to products, services, or customers, depending on their utilization. (Cooper, 1990: b)
   The researcher's vision is that the previous cost system contributed to the achievement of a strategic advantage for the enterprise by encouraging work on cost reduction, multiple products, and focusing on product quality.
   (Kaplan, 1988) considers that since traditional cost regimes are designed to serve the main objective, namely, to measure the cost of a product or service unit for inventory valuation

purposes within the financial position or when measuring the outcome of an economic unit's work. Therefore, these regulations are not considered sufficient for control purposes, especially given the strong competition to which different economic units are exposed, whether in the domestic or international market.

Considerations to be taken into account in increasing the effectiveness of the activities' cost systems. (Swafferi, 2016, p. 366-367)
In order for these systems to become more effective, the following must be taken into account:

- The design process of the preferred cost system is affected by changes in three factors: the cost of the metrics required by the cost system, the level of competition faced by the economic unit, and the diversity of the range of products in this economic unit.
- Emphasis should be placed on the following economic resources: cost, of which the end products vary greatly, benefiting different products to degrees inconsistent with traditionally used foundations.
- A balancing procedure between the costs of the ABC system (the cost of measurement and the cost of errors) and the desired level of accuracy of the system's outputs.
- Coherence in the combined costs resulting from the business covered by the particular activity.
- Provide an opportunity for decision-makers to reflect systematically on the relationship between economic activities and resources consumed by those activities through the separation of the consumer at each of the four levels: product, product payment, production line, and factory level as a whole.
- Using the idea of the level of cantonment activities as a summary or clustering of activities under certain conditions.
- Identifying the optimal number of cost causes that achieve the best level of accuracy of the information and are compatible with the economics of information.

Activity-based management system (ABM) relationship with Activities-Based Cost System (ABC)

Activity-based management system (ABM) is the framework within which the Activities-Based Cost System (ABC) operates to form an integrated system, were based on activities derived from the Activities-Based Cost System (ABC) the activities that add value and activities that do not add value can be determined, the Activity-based management system (ABM) economic unit can eliminate or replace activities that do not add value, and ABM is based on the idea that Activities-Based Cost System (ABC) provides appropriate information on value chain activities (R&D, product design, production, marketing, distribution, after-sales service) This information is considered a base for Activity-based management system (ABM) in order to improve the process of managing activities rather than cost management.

2) The Target Cost
It is one of the most important tools on which strategic management accounting is based, and its importance lies in its role in reducing the costs of the product (service) that result from its manufacture during its life cycle to the minimum extent possible while maintaining the product's intended gross profit.
The implementation of this cost requires three important things: defining the product, determining its sale price, achieving competitive costs, and reaching effective competition, which requires the company to redesign its products to shorten the product's life cycle, as product design is a crucial stage of product cost management, as well as planning and

development, and its target cost (TC) has ignored the investment assessment of the new product design. (Moll & Leary, 2012)

The researcher's vision is that the target cost is a strategic advantage that gives the facility it uses a competitive advantage because it is a strategic input to profit planning and not just low costs.

The principles underlying the target cost method (Khalaf and Zwilf, 2007:175) are:

- Cost Target Sale Price Leadership: First, determine the price at which the product can be sold; second, determine the target profit; and third, create the target cost within which the product must be manufactured as follows: target cost = sales price - target profit.
- Customer Focus: This refers to paying attention to customer requirements (quality, price, and time to receive the product); focus on the design process: This refers to ensuring that the product is manufactured as efficiently as possible by examining all aspects of the manufacturing process, and all aspects must be designed in accordance with the product's target cost.
- Focus on Product Design: The main factor in the target cost is design engineering, so design engineers must design the product so that it can be produced within the target cost.
- Multi-Functional Business Team: To manufacture the product within the target cost, the team must work with the participation of a number of specialists with diverse disciplines from various departments of the facility. Specializations required to achieve this goal include: Marketing research, sales, design engineering, production engineering, production scheduling, production scheduling and processing, and cost management.
- Cost Life Cycle: It is important to take into account the target cost: to take into account all costs related to the product's life cycle and to reduce the cost of the product's life cycle, which is the cost of distribution, purchase, operation, or maintenance, and end with the cost of disposal after the purpose of its use.

There are a range of tools that effectively reduce or bridge the gap between current and target costs, and in the form that works towards targeted cost reductions, one of the most important being reverse engineering "also called the dynamic analysis", it is a process of evaluating a competitor's product for the purpose of identifying areas of development of the economic unit product, which is aimed at improving its value by reducing its cost associated with its life cycle and along the value chain in which it passes. The successful application of this tool depends on the information collected on the best performance applied by competing economic units regarding their products and the form that leads to the improvement of the value of the economic unit's product in the market (Drury, 2018:593). Under the reverse engineering tool, the competing product is analyzed for the purpose of determining its functional performance and design with a clear vision of the activities and processes that contribute to its production in addition to the associated cost (Datar & Rajan, 2018:488).

(Atkinson, et al., 2012:287) refer to the achievement of the target cost based on the dynamic analysis as being done by identifying the specifications and characteristics of the competing product of the economic unit product by analyzing it in order to achieve the results of the process or mechanism that goes into its design and production while making any appropriate adjustments to the specifications and characteristics of the economic unit product to be compatible with its competing products.

3) The Benchmarking

It is meant, as it was known (Alkinson & Kaplan, 2004:298) as a way of collecting information on the best performance in the workplace, and the selection of a comparison partner

(comparator unit) is very important, as one of the advantages of this method is that it significantly and positively affects the cost by: avoiding errors that occur; not giving new pre-tested activities or processes that have been neglected for ineffectiveness.
The researcher's vision is that benchmarking enables the enterprise to identify opportunities to outperform other enterprises in certain markets, areas, sectors, and industries by encouraging managers to understand how to improve and achieve a competitive advantage for the enterprise by responding to the desires and demands of clients.

The importance of benchmarking. This importance is evident from the value benefits it produces, which can be summarized as follows: (Ismail, 2007, p. 4)

- Significant role in accurately identifying the performance gap between the unit and the pilot units.
- The desire exists when leading the unit and its personnel to adopt a policy of change towards all that is best and new by providing the right climate for it.
- Attention to critical processes in terms of identification and prioritization of implementation.
- Attention to the individual and collective creative aspects and to the development of them.
- The unit is able to build at the same time as addressing flaws by providing them with the means to do so.
- Increases the unit's chances of receiving additional benefits. (Finnigon, Jerome p, 1996)
- External competitive measures exist through the external focus of its style, which inevitably affects the internal performance quality measures, making them more adequate, effective, and competitive. (Zairi, Mohamed, 1996)

The use of benchmarking by the organization provides more objective information to its beneficiaries, resulting in the continuous improvement of its internal operations, the identification of deficiencies in the rest of its activities, and work towards avoiding them in the future, as well as contributing to the strengthening of the enterprise's competitive position and ensuring its survival in the business environment, as well as the possibility of creating new ideas and improvements that may make that institution the greatest competitor. The application of benchmarking for the purpose of evaluating the organization's overall performance can be strengthened as a complementary step to the use of a sustainable balanced scorecard to obtain more efficient and effective performance appraisal results by linking and complementing the two models by assessing an organization's overall performance by card, strengths, enhancements, and weaknesses can be highlighted and addressed in light of their comparison with better performance. Thus, sustainability balanced scorecard outputs can be made into benchmarking inputs. (Kawashi and Bodouda, 2017, p. 244)

Second: Financial Statements

They are records that are written and prepared in accordance with a recognized accounting framework, such as IFRS, and their importance stems from the fact that they provide financial information to various relevant parties, such as the board of directors, investors, and financial analysts, allowing them to make appropriate economic decisions.

Characteristics of financial statements

One of the most important of these characteristics is that they achieve the objectives for which they were prepared, as stipulated in the IASC's framework for the preparation of financial statements: (Qadi and Hamadan, 2008:273)

1) Reliability: In the sense that information is valid as a basis on which a decision-maker can rely to predict. This characteristic is achieved through the following characteristics:
- Verifiable: Any information is verifiable.
- Credibility and equity of representation: The financial data in the financial statements are fairly and accurately reflective of financial operations and events.
- Neutrality: In the sense of reflecting the company's reality, with various features and situations as they are, without increase or decrease, and not as accomplished by the management, shareholders, or other categories, the financial statements should be neutral. (Matar and Souti, 2008)

2) Relevance: In the sense that information is appropriate for decision makers' needs to be more useful, and as the International Accounting Standards Board (IASB) decides, information has the advantage of being appropriate when it affects economic decisions of users to help them to assess past, present and future events, or to enhance or correct their past assessments. This characteristic is achieved through the following:
- Timing: In the sense that information reaches its users in a timely manner to make the appropriate decision.
- Predictability: In the sense of helping users increase the likelihood of correcting predictions about the results of past or subsequent events. (Zeitoun, 2013, p. 25)
- Ability to reassess: the ability to correct previous decisions by comparing the scheme and target to identify deviations for a new decision or to fix a previous decision.

The objectives of financial statements

- Providing information about the financial position of the enterprise, as well as about changes in it, to serve diverse users in economic decision-making.
- Achieving the overall needs of the majority of users largely reflects the financial implications of past events and does not necessarily provide non-financial information.
- Showing the agency's administrative findings or holding management accountable for the resources deposited, and these users evaluate the agency in order to make economic decisions that include decisions to retain or sell their investments in the enterprise, reassign management, or replace other management.
- Representation of part of the financial reporting process and budget, income statement, changes in equity, statement of cash flows, notes, and explanatory materials that complement financial statements. (Rain and Sooty, 2008)

The functions of financial statements

(Hammad, 2006:71) explained that these statements have several functions:

1) Measurement of assets within the project's ownership.
2) Measurement of obligations arising from the project's rights.
3) Measuring changes in those assets, obligations, and capital owners' rights.
4) Linking these changes to specific time periods.
5) Classification of prior changes to:
   - Revenue, expenses, gains, and losses.
   - Changes in assets, obligations, and capital owners' rights.
6) Express the above in cash units as the general unit of financial measurement.

7) Preparation of financial statements and periodic reports on the project's assets and obligations at a given moment in time, net income, sources, and cash flows during a given period of time.

3. ANALYSIS OF STUDY RESULTS, AND TESTING OF ITS HYPOTHESES

3.1. Analysis of study result

The touchstone adopted in the study: The following table shows this touchstone.

Table 5. The touchstone adopted in the study

Arithmetic Average	Relative weight	Degree
1.00 – 1.80	From 20% - 36%	Rare
1.80 – 2.60	Greater than 36% - 52%	Low
2.60 – 3.40	Greater than 52% - 68%	Medium
3.40 – 4.20	Greater than 68% - 84%	Large
4.20 - 5	Greater than 84% - 100%	Very large

Answer the first question: What is the degree of management accounting technique practice in companies?

In order to identify the level of ownership of individuals in the study sample for the dimensions of the management accounting technique and the overall grade, the researcher used averages, standard deviations, relative weights, and order, as shown in the following table:

Table 6. The analysis of the dimensions of the management accounting technique

Areas	Arithmetic Average	Standard deviation	Relative weight	Ranking
Activities-based cost technique	3.76	0.609	75.2	2
The target cost technique	3.8	0.557	76	1
The benchmarking technique	3.73	0.554	74.5	3
Management accounting technique	3.76	0.539	75.3	

Table No. (6) shows that the relative weight of the management accounting technique axis is high (75.3%).

- Analysis of first dimension paragraphs: Activities-based cost technique

Using averages, standard deviations, relative weights, and ranks, Table No. (7) shows this:

Table 7. Analysis of first dimension paragraphs: Activities-based cost technique

#	Paragraph	Arithmetic Average	Standard deviation	Relative weight	Ranking
1.	The company loads the product with the costs of the activities it consumed	4.6	0.821	92.1	1

2.	The company limits the activities and resources necessary to achieve the activities	4.09	0.811	81.9	2
3.	The company identifies the cost causes that affect the size and amount of exploitation of each supplier within the activity	3.72	0.934	74.4	3
4.	The company can precisely and clearly identify untapped costs of activities	3.6	1.178	72.1	6
5.	The company classifies activities into activities that add value to the product, and activities that do not add value to the product	3.47	1.202	69.3	7
6.	The company works to allocate indirect costs of the activities	3.6	1.218	72.1	5
7.	The company determines the untapped cost of the activities	3.65	1.089	73	4
8.	The company has a guide that provides accurate information about the cost centers used by the production centers	3.35	1.361	67	8
All paragraphs		**3.76**	**0.609**	**75.2**	

Table No. (7) shows that the relative weight of first dimension paragraphs: activities-based cost technique is high (75.2%).

Paragraph (1), "The company loads the product with the costs of the activities it consumed", in the first order, where the relative weight was 92.1%, while paragraph (8), "The company has a guide that provides accurate information about the cost centers used by the production centers", in the last order, where the relative weight was 67%.

- Analysis of second dimension paragraphs: The target cost technique

Using averages, standard deviations, relative weights, and ranks, Table No. (8) shows this:

Table 8. Analysis of second dimension paragraphs: The target cost technique

#	Paragraph	Arithmetic Average	Standard deviation	Relative weight	Ranking
1.	The company has knowledge of the use of target cost technique	4.56	0.934	91.2	1
2.	The company has a specialized division to manage the target costs	4.02	0.831	80.5	2
3.	Pricing of the company's products under the target cost approach provides flexibility in applying the product pricing policy	3.81	0.958	76.3	3
4.	Adopting target cost technique in pricing the company's products contributes to improving the quality of products	3.35	0.923	67	8
5.	The company specifies the price at which the product can be sold by subtracting the price from the target profit	3.44	1.221	68.8	7
6.	The company depends on determining the cost of its target products by subtracting the	3.79	0.989	75.8	4

	target profit from the customer's target price				
7.	The company is interested in monitoring and examining production process activities to ensure that manufacturing is done with the highest possible efficiency	3.77	1.043	75.3	6
8.	The company focuses on the design of the product so that it can be produced without exceeding the allowable cost	3.67	1.426	73.5	5
All paragraphs		3.8	0.557	76	

Table No. (8) shows that the relative weight of second dimension paragraphs: The target cost technique is high (76%).

Paragraph (1), "The company has knowledge of the use of target cost technique", in the first order, where the relative weight was 92.2%, while paragraph (4), "Adopting target cost technique in pricing the company's products contributes to improving the quality of products", in the last order, where the relative weight was 67%.

- Analysis of third dimension paragraphs: The benchmarking technique

Using averages, standard deviations, relative weights, and ranks, Table No. (9) shows this:

Table 9. Analysis of third dimension paragraphs: The benchmarking technique

#	Paragraph	Arithmetic Average	Standard deviation	Relative weight	Ranking
1.	The management of the company adopts multiple methods of obtaining information to plan and deliver its products	4.4	0.791	87.9	1
2.	The company's management evaluates the performance of all the departments in which it operates	4.14	0.774	82.8	2
3.	The management of the company relies on statistical methods to measure performance levels	3.91	0.868	78.1	3
4.	The company's management relies on financial and non-financial indicators to measure performance results according to established standards	3.56	1.181	71.2	5
5.	The company's management is interested in learning about how to generate value added for the company and its customers	3.23	1.212	64.7	8
6.	The company seeks information and uses it in decision-making	3.67	1.085	73.5	4
7.	The company develops future scenarios based on information from the external and internal environment	3.49	1.142	69.8	6
8.	The company's measurement methods contribute to improving overall performance	3.42	1.239	68.4	7
All paragraphs		3.73	0.554	74.5	

Table No. (9) shows that the relative weight of third dimension paragraphs: The benchmarking technique is high (74.5%).

Paragraph (1), "The management of the company adopts multiple methods of obtaining information to plan and deliver its products", in the first order, where the relative weight was 87.9%, while paragraph (5), "The company's management is interested in learning about how to generate value added for the company and its customers", in the last order, where the relative weight was 64.7%.

Answer the second question: What is the level of statements reliability for employees in companies?

In order to identify the level of ownership of individuals in the study sample for the paragraphs of statements reliability and the overall grade, the researcher used averages, standard deviations, relative weights, and order, as shown in the following table:

Table 10. Shows the analysis of the paragraphs of statements reliability and the overall grade

#	Paragraph	Arithmetic Average	Standard deviation	Relative weight	Ranking
1.	The activities-based cost technique contributes to the neutrality of the financial statements and their deviation from the department's own objectives and provisions	4.44	0.881	88.8	1
2.	The use of the activities-based cost technique will make the financial statements genuinely reflect the financial position	3.95	0.653	79.1	2
3.	The use of the target cost technique contributes to the improvement of financial statement neutrality	3.79	1.059	75.8	3
4.	The use of the target cost technique helps to obtain correct and easy-to-use financial statements	3.47	1.054	69.3	8
5.	The benchmarking technique will make the financial statements include a set of fees, data, and tables	3.53	1.279	70.7	6
6.	The benchmarking had an impact on the financial statements' inclusion of indicators to measure fair value	3.49	1.222	69.8	7
7.	The strategic management accounting techniques are used in accounting work to provide speed and objectivity in the accomplishment of tasks	3.63	1.047	72.6	4
8.	The strategic management accounting techniques help to have a database of all areas	3.56	1.315	71.2	5
Overall grade		3.73	0.576	74.7	

Table No. (10) shows that the relative weight of statements reliability dimension is high (74.7%). Paragraph (1), "The activities-based cost technique contributes to the neutrality of the financial statements and their deviation from the department's own objectives and provisions", in the first order, where the relative weight was 88.8%, while paragraph (4), "The use of the target cost technique helps to obtain correct and easy-to-use financial statements", in the last order, where the relative weight was 69.3%.

3.2. The testing of hypotheses

First hypothesis: There is no statistically significant relationship between management accounting technique and statements reliability for employees in companies.

Pearson's correlation coefficient was used to calculate the relationship between the dimensions of management accounting technique and statements reliability.

Table 11. The relationship between management accounting technique and statements reliability

Independent Variable	Dependent Variable /Statements Reliability	
Areas	**Correlation Coefficient**	**Significance Level**
Activities-based cost technique	**0.858	0.00
The target cost technique	**0.801	0.00
The benchmarking technique	**0.872	0.00
Management accounting technique	**0.897	0.00

As shown in Table No. (11) The values of the correlation coefficients were a function at the level (0.01 ≥ α) for all dimensions and the scale as a whole, and thus we accept the following hypotheses.

- There is a statistically significant correlation at the level (0.01 ≥ α) between management accounting technique and statements reliability for employees in companies.
- There is a statistically significant correlation at the level (0.01 ≥ α) between activities-based cost technique and statements reliability for employees in companies.
- There is a statistically significant correlation at the level (0.01 ≥ α) between the target cost technique and statements reliability for employees in companies.
- There is a statistically significant correlation at the level (0.01 ≥ α) between the benchmarking technique and statements reliability for employees in companies.

Second hypothesis: There is no statistically significant impact at a significance level (α ≤ 0.05) of the dimensions of the management accounting technique on statements reliability for employees in companies.

To test this hypothesis, the researcher used linear regression analysis (Stepwise) to measure the impact of the independent variable (dimensions of the management accounting technique) on the dependent variable (statements reliability), and the following table shows the results:

Table 12. The linear regression analysis (Stepwise), the dependent variable (statements reliability)

Independent variables	Regression coefficients	Standard error	Standard regression factors (Beta)	Value *t*	Probability Value (Sig.)	Significance Level When (0.05)
Fixed Variable	0.166	.281	-	5.95	0.000	P+
Activities-based cost technique	0.279	.212	.270	3.52	0.000	P+
The target cost technique	0.102	.242	.098	4.21	0.000	P+
The benchmarking technique	0.845	.362	0.847	3.04	0.000	P+

Variance analysis ANOVA			
Test value F	58.3	Probability Value	0.000
Adjusted Interpretation Coefficient Value R^2	0.635	Probability value of the interpretation factor	0.000

From the previous Table No. (12), it is shown that statements reliability, representing the dependent variable, is influenced substantially and statistically by all variables (Activities-based cost technique, The target cost technique, The benchmarking technique), where the above table shows that the correlation coefficient (0.897), and the adjusted determination coefficient (0.804) meaning that (80.4%) of the change in statements reliability is due to the impact of independent variables, the remainder (19.6%) is due to other factors impacting the dependent variable statements reliability, and thus we accept the alternative hypothesis and reject the null hypothesis.
Regression equation: "statements reliability = 0.166 + 0.279 (activities-based cost technique) + 0.102 (the target cost technique) + 0.845 (the benchmarking technique)".
Third hypothesis: There are no differences between the averages of the researchers' responses about management accounting techniques variable in their dimensions (the activities-based cost technique, the target cost technique, and the benchmarking technique), and the reliability of the statements in government hospitals in the southern provinces, attributable to the variable specialization.
In order to verify the validity of the hypothesis, the researcher used the analysis of variance one-way test (ANOVA) to identify the significance of differences between groups. The results are as follows:

Table 13. The results of the analysis of variance one-way test (ANOVA) to identify the differences depending on the specialty variable

Areas	Source of Variance	Sum of Squares	Degrees of Freedom	Average Squared	Value F	Significance Level
Activities-based cost technique	Among groups	1.9	2	0.95	2.78	0.074
	Within groups	13.7	40	0.34		
	Total	15.6	42			
The target cost technique	Among groups	1.19	2	0.6	2.02	0.146
	Within groups	11.8	40	0.3		
	Total	13	42			
The benchmarking technique	Among groups	0.9	2	0.45	1.5	0.236
	Within groups	12	40	0.3		
	Total	12.9	42			
Management accounting technique	Among groups	1.16	2	0.58	2.1	0.135
	Within groups	11	40	0.28		
	Total	12.2	42			

Statements reliability	Among groups	1.41	2	0.7	2.25	0.118
	Within groups	12.5	40	0.31		
	Total	13.9	42			

Table No. (13) shows that F values for all dimensions and the scale as a whole are irrelevant as that (Sig.) value is greater than 0.05, thus we accept the null hypothesis, which states: "There are no differences between the averages of the researchers' responses about management accounting techniques variable in their dimensions (the activities-based cost technique, the target cost technique, and the benchmarking technique), and the reliability of the statements in government hospitals in the southern provinces, attributable to the variable specialization".

Fourth hypothesis: There are no statistically significant differences at a significance level ($\alpha \leq 0.05$) between the averages of the researchers' responses (management accounting technique, statements reliability) for employees of companies depending on the number of years of service variable. In order to verify the validity of the hypothesis, the researcher used the analysis of variance one-way test (ANOVA) to identify the significance of differences between groups. The results are as follows:

Table 14. The results of the analysis of variance one-way test (ANOVA) to identify the differences depending on the number of years of service variable

Areas	Source of Variance	Sum of Squares	Degrees of Freedom	Average Squared	Value F	Significance Level
Activities-based cost technique	Among groups	1.079	2	0.539	1.487	0.238
	Within groups	14.509	40	0.363		
	Total	15.588	42			
The target cost technique	Among groups	0.817	2	0.408	1.340	0.273
	Within groups	12.190	40	0.305		
	Total	13.007	42			
The benchmarking technique	Among groups	0.700	2	0.350	1.150	0.327
	Within groups	12.183	40	0.305		
	Total	12.883	42			
Management accounting technique	Among groups	0.829	2	0.414	1.457	0.245
	Within groups	11.372	40	0.284		
	Total	12.200	42			
Statement reliability	Among groups	0.633	2	0.316	0.952	0.395
	Within groups	13.292	40	0.332		
	Total	13.924	42			

Table No. (14) shows that F values for all dimensions and the scale as a whole are irrelevant as that (Sig.) value is greater than 0.05, thus we accept the null hypothesis, which states: "There are no statistically significant differences at a significance level ($\alpha \leq 0.05$) between the averages of the researchers' responses (management accounting technique, statements reliability) for employees of companies depending on the number of years of service variable".

4. CONCLUSIONS AND RECOMMENDATIONS

4.1. Conclusions

The study's conclusions were as follows:

- There is a statistically significant relationship between the management accounting technique and the reliability of statements by companies' employees.
- There is a statistically significant correlation between the activities-based cost technique and the reliability of statements by companies' employees.
- There is a statistically significant correlation between the target cost technique and the reliability of statements by companies' employees.
- There is a statistically significant correlation between the benchmarking technique and the reliability of statements by companies' employees.
- The reliability of statements is influenced substantially and statistically by all variables (the activity-based cost technique, the target cost technique, and the benchmarking technique).

4.2. Recommendations

- The necessity for companies to have a guide to cost centers exploited by production centers.
- The need to adopt the target cost technique in pricing companies' products contributes to improving the quality of products.
- Need for companies' governance attention to the learning process on how to generate value added for the company and its customers.
- It's important to engage the companies' measurement methods to contribute to improved performance.
- It's necessary to sensitize the industrial companies listed on the Palestine Exchange to the importance of applying strategic management accounting techniques and utilizing them to improve their overall performance levels.

5. REFERENCES

5.1. Arab References

1) Hammad, Tariq Abdel-Aal (2006): “Analysis of financial lists for investment purposes and grants credit: Current and Future Outlook, Alexandria: University House.
2) Hassan, Hisham Zakaria Mohammed (2013): "Impact of business organizations' strategy on the design of the management accounting system", Helwan University, Faculty of Commerce and Business Administration, Scientific Journal of Scientific Studies and Research, Issue 1, Egypt.
3) Hilali, Hussein Mustafa (2009): "Strategic Planning for Enterprise Performance Development", Sahab Publishing and Distribution Foundation, Cairo, Egypt.
4) Ismail, Mujabal Dwaye. (2007). The effectiveness of the benchmark comparison in evaluating performance and its applicability in Iraq's non-profit economic units, the Technical Institute of Architecture.
5) Judge, Hussein and Mamoun, Hamdan (2008): "International Accounting and Standards", Culture Publishing and Distribution House, first edition, Amman, Jordan.
6) Kawashi, Murad, and Bodouda, Mariam (2017): "A Proposed Model For The Linkage Between The Sustainability Balanced Scorecard And Benchmarking To Evaluate The Overall Performance Of The Institution: A Case Study Of The Institution Of Healthy Ceramics In "El Milia" and The New Institution Of Healthy Ceramics In "El Ghazaouet", Jordanian Journal in Business Administration, 13 (2), p. 233-258.
7) Kiso, Donald Wiegant, Jerry (1999): "Middle Accounting", Part I, 2nd Arabic Edition, Hajaj, Ahmed (Arabic), Mars Publishing House, Riyadh, Saudi Arabia.
8) Lutfi, Laila Mohamed and Marai 'i, Hassan (2005): "Strategic Accounting", unpublished research.

9) Mansour, Mohamed El Sayed (2014): "The role of strategic management accounting in activating governance
10) Matar, Mohammed Al-Sooty, Musa (2008): "Theoretical Rooting of Accounting Professional Practices, Wa 'el Publishing and Distribution House, 2nd Edition, Amman, Jordan.
11) Mohammed, Al-Fiomi Mohammed (2012): "Strategic Accounting", Education Publishing House, Alexandria, Egypt.
12) Reza Ibrahim Saleh (2009): "The impact of accounting standards orientation towards fair value on the qualitative characteristics of accounting information under the global financial crisis", Journal of Trade for Scientific Research, Alexandria University, vol. No. 46, No. 2, p. 34.
13) Sawafiri, Fathi Rizk, Bassiouni, Mohammed Abdul Ghani. (2016). Advanced management accounting (strategic perspective), Department of Accounting and Auditing, Faculty of Commerce, University of Alexandria.
14) Successor, Nidal Mohammed Reza, Zwelf, Inam Mohsen Hassan. (2007), pricing using the target cost curriculum: a field study in Jordan's petroleum pharmaceutical industry, King Abdul Aziz University Journal, Faculty of Economics and Administration, vol. 21, No. 1.
15) Zeitoun, Samir. (2013). "The relationship between both dues and operating cash flows and income on the one hand and the quality of accounting information on the other hand for industrial companies", unpublished doctoral thesis, Faculty of Business, Arab University of Oman.

5.2. English References

1) Alkinson, A; Kaplan, R.S & Young, M.S. (2004): "Management Accounting" 4th Edition, Prentice Hall, Person.
2) Atkinson, Anthony A., Kaplan, Robert S., Matsumura, Ella Mae, and Yong, S. Mark, (2012). Management accounting, Information for decision-making and strategy execution, 6th Ed., New Jersey, Pearson Prentice Hall.
3) Brigham, E. & Houston, J. (2009): "Fundamentals of Financial Management", 12thed., Cengage Learning.
4) Bromwich, m. (2000): "Thoughts on Management Accounting and Strategy", Pacific Accounting Review, Vol. 11, No.2.
5) Cinquini, L & Tenucci, A. (2010). Strategic management accounting and business strategy: a loose coupling? Journal of Accounting and Organizational Change, 6 (2): 228-259.
6) Cooper, Robin (1990, b): "Five Steps to ABC System Design", Accountancy, Nov., 78-81.
7) Datar, Srikant M. & Rajan, Madhav V., (2018). Horngren's cost Accounting A Managerial Emphasis, 16th Ed, PEARSON, New York, NY.
8) Drury, Colin, (2018). Management and Cost Accounting, 10th edition, CENGAGE.
9) Finnigon, Jerome p. (1996). The Managers Guide to Bench Marking, Josse. Y, Bass Publishers, San Francis Co.
10) Hofjan, A., & Wompener, A. (2006): "Comparative Analysis of Strategic Management in German and English languages", General Management Accounting textbooks, SBR 58, PP. 243-258.
11) Kaplan R. & Atkinson A., (1998), Advanced Management Accounting, Hall Inc., New York
12) Kato Y., "Target Costing Support Systems: Lessons From leading Japanese Companies, Management Accounting Research, Vol. 4, No. 1, March, PP.33-47.
13) Lngfield-Smith, K. (2008): "Strategic management accounting: how far have we come in 25 years?", Accounting, Auditing and Accountability Journal, 21(2), 204-228
14) Moll, J., & O'Leary, T. (2012): "Special issue on innovation and product devilment", Management Accounting Research, 23(1),1.
15) Sakurai M., (1989), "Target Costing and How to Use It? Journal of Cost Management for Manufacturing Industry, summer, P.39-50
16) Yi, M. & Tayles, M. (2009): "On the emergence of strategic management accounting: an institutional perspective", Accounting and Business Research, 39(5): 473-495.
17) Zairi, Mohamed. (1996). "Measuring performance for Business Results", ChapmauHill.