


HOW CAN MANAGEMENT ACCOUNTING CONTRIBUTE TO RISK MANAGEMENT STRATEGIES WITHIN ORGANIZATION CASE STUDY OF SMALL AND MEDIUM ENTERPRISES: EVIDENCE FROM EMERGING COUNTRIES

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| ARTICLE INFO | ABSTRACT |
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| <p>Article history:</p> <p>Received 27 January 2023</p> <p>Accepted 22 March 2023</p> | <p>Purpose: Current study aimed at exploring the impact of management accounting in supporting risks management strategies within Small and Medium Enterprises in Jordan and GCC countries during the fiscal year 2021-2022.</p> |
| <p>Keywords:</p> <p>Accounting; Management Accounting; Risk Management; SME; Emerging Countries.</p> | <p>Theoretical framework: Competency of management accounting was chosen as the independent variable which included (Strategic Management, Professional Ethics and Values, Reporting and Control, Leadership, Technology and Analytics, Business Acumen and Operations), while the variable of risk management strategies was chosen to be the dependent variable.</p> |
|  | <p>Design/methodology/approach: Through quantitative approach and distributing a questionnaire on (257) financial and accounting managers within Small and Medium Enterprises in Jordan and GCC countries.</p> <p>Findings: Based on screening the data through SPSS; results of study was able to identify and accept the main hypothesis which argued that "<i>Management accounting competency has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries</i>" with R= 0.877 and a variance of influence that reached 76.9%. As for sub-variables, it was seen through statistical processing that business acumen and operations and leadership were the most influential variables on risk management strategies with a high variance that indicated a statistical influence of 72% and 42.3% respectively.</p> <p>Research, Practical & Social implications: Study recommended developing and increasing awareness of the importance of management accounting in organizational risk management by promoting the comprehensive and integrated perspective and abandoning the individual perspective of management accounting in the organization; further recommendations were presented in the study.</p> <p>Originality/Value: These finding could be used as a reference for Small and Medium Enterprises in Jordan and GCC countries</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i4.1137</p> |

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COMO A CONTABILIDADE DE GESTÃO PODE CONTRIBUIR PARA AS ESTRATÉGIAS DE GESTÃO DE RISCO DENTRO DA ORGANIZAÇÃO ESTUDO DE CASO DE PEQUENAS E MÉDIAS EMPRESAS: EVIDÊNCIAS DE PAÍSES EMERGENTES

RESUMO

Objetivo: Estudo atual destinado a explorar o impacto da contabilidade de gestão no apoio a estratégias de gestão de riscos dentro das Pequenas e Médias Empresas na Jordânia e nos países do GCC durante o ano fiscal de 2021-2022.

Estrutura teórica: A competência da contabilidade gerencial foi escolhida como a variável independente que incluía (Gestão Estratégica, Ética e Valores Profissionais, Relatórios e Controle, Liderança, Tecnologia e Análise, Acumen Empresarial e Operações), enquanto a variável das estratégias de gestão de risco foi escolhida como a variável dependente.

Design/metodologia/abordagem: Através de abordagem quantitativa e distribuição de um questionário sobre (257) gerentes financeiros e contábeis dentro das Pequenas e Médias Empresas na Jordânia e países do GCC

Conclusões: Com base na triagem dos dados através do SPSS; os resultados do estudo foram capazes de identificar e aceitar a hipótese principal que argumentava que "a competência contábil da administração tem uma influência estatisticamente positiva nas estratégias de gerenciamento de risco dentro das Pequenas e Médias Empresas na Jordânia e países do GCC" com $R=0,877$ e uma variação de influência que atingiu 76,9%. Quanto às sub-variáveis, foi visto através do processamento estatístico que a perspicácia empresarial e as operações e a liderança foram as variáveis mais influentes nas estratégias de gerenciamento de risco com uma alta variação que indicou uma influência estatística de 72% e 42,3% respectivamente.

Pesquisa, implicações práticas e sociais: O estudo recomendou desenvolver e aumentar a consciência da importância da contabilidade gerencial no gerenciamento de riscos organizacionais, promovendo a perspectiva abrangente e integrada e abandonando a perspectiva individual da contabilidade gerencial na organização; outras recomendações foram apresentadas no estudo.

Originalidade/Valor: Estas descobertas poderiam ser usadas como referência para Pequenas e Médias Empresas na Jordânia e países do GCC.

Palavras-chave: Contabilidade, Contabilidade de Gestão, Gestão de Risco, SME, Países Emergentes.

CÓMO PUEDE CONTRIBUIR LA CONTABILIDAD DE GESTIÓN A LAS ESTRATEGIAS DE GESTIÓN DE RIESGOS DENTRO DE LA ORGANIZACIÓN ESTUDIO DE CASO DE PEQUEÑAS Y MEDIANAS EMPRESAS: EVIDENCE FROM EMERGING COUNTRIES

RESUMEN

Propósito: El presente estudio tiene como objetivo explorar el impacto de la contabilidad de gestión en el apoyo a las estrategias de gestión de riesgos dentro de las pequeñas y medianas empresas en Jordania y los países del CCG durante el año fiscal 2021-2022.

Marco teórico: La competencia de la contabilidad de gestión se eligió como variable independiente que incluía (Gestión estratégica, Ética y valores profesionales, Informes y control, Liderazgo, Tecnología y análisis, Perspicacia empresarial y Operaciones), mientras que la variable de las estrategias de gestión de riesgos se eligió como variable dependiente.

Diseño/metodología/enfoque: Mediante un enfoque cuantitativo y la distribución de un cuestionario a (257) directores financieros y contables de pequeñas y medianas empresas de Jordania y los países del CCG.

Resultados: Tras analizar los datos con el programa SPSS, los resultados del estudio permitieron identificar y aceptar la hipótesis principal, según la cual "la competencia en contabilidad de gestión tiene una influencia estadísticamente positiva en las estrategias de gestión de riesgos de las pequeñas y medianas empresas de Jordania y los países del CCG", con una $R=0,877$ y una varianza de influencia del 76,9%. En cuanto a las subvariables, se vio a través del procesamiento estadístico que la perspicacia empresarial y las operaciones y el liderazgo eran las variables más influyentes en las estrategias de gestión de riesgos con una alta varianza que indicaba una influencia estadística del 72% y el 42,3% respectivamente.

Investigación, implicaciones prácticas y sociales: El estudio recomendó desarrollar y aumentar la concienciación sobre la importancia de la contabilidad de gestión en la gestión del riesgo organizativo promoviendo la perspectiva global e integrada y abandonando la perspectiva individual de la contabilidad de gestión en la organización; en el estudio se presentaron otras recomendaciones.

Originalidad/Valor: Estas conclusiones podrían servir de referencia para las pequeñas y medianas empresas de Jordania y los países del CCG.

Palabras clave: Contabilidad, Contabilidad de Gestión, Gestión de Riesgos, PYME, Países Emergentes.

INTRODUCTION

There is no doubt that accounting of all kinds and forms is the beating heart of commercial establishments, as it determines costs, profits, the extent of the project's success and the possibility of its continuity or not (Hashem & Alqatamin, 2021). In addition, the results of accounting and the way to deal with it facilitate the way towards rational decision-making in the organization in a way that ensures the interest of the organization as a whole and the interest of the individuals working in it (Gulin et al., 2019).

With the development of the science of accounting and the different goals and trends, what is known today as managerial accounting, which specializes exclusively in the management of business and its performance mechanism, in addition to identifying financial management practices that ensure high performance for the organization, management accounting appeared as one of the accounting trends in order to combine between the financial and non-financial information of the organization and its use in the rational decision-making process (Ghattas et al., 2021). The science of management accounting appeared in the middle of the last century in 1950, and it has been since that time to define the accounting and administrative frameworks for how to deal and combine financial and non-financial data for the benefit of the organization (Richardson, 2020).

Haresh et al. (2019) indicated in their studies that organizations – in order to succeed – are required to plan and support their excellence efforts with the needed professional approaches that are able to deliver the organization to the shore of competitiveness and success. This can take place when the organization is exposed to precise and organized data and information that enables the team to work towards the goals with trust and confidence. Abu Afifa and Saleh (2021) argued that with the current development in terms of technology and business management, the world of organization has become more exposed to risks and unpredicted incidents, from that point, all practices and operations of the organization were connected in order to make a path for decision makers to take the rational decision. Kose and Agdeniz (2019) also added that risk management got connected to accounting and financial management in order to get the needed use of information – financial or non-financial – regarding unpredicted risks and help the organization plan its way out of the risks with the least losses possible.

Based on above argument, current study aimed at examining the correlation between management accounting (Strategic Management, Professional Ethics and Values, Reporting and Control, Leadership, Technology and Analytics, Business Acumen and Operations) and

risks management strategies in order to support organizational efforts towards reaching its goals within Small and Medium Enterprises in Jordan and GCC countries during the fiscal year 2021-2022.

Study by Köse and Ağdeniz (2019) aimed at clarifying the relationship between management accounting and risk management, and how management accounting would contribute significantly to cooperation with risk management in order to predict any upcoming events and deal with them in an administrative and scientific manner. The study concluded that modern technology contributed to influencing many administrative activities, and management accounting and risk management were the most affected. The study proved that effective management accounting plays an important and vital role in being a complement to risk management, especially in the areas of control, financial reporting, leadership and business acumen.

The study of Bracci et al. (2021) attempted to show the mechanism of interaction between risk management and management accounting in public sector institutions, and by reviewing the previous literature, a conclusion was reached that there is an integration between management accounting and risk management, but there is a percentage of the lack of integration caused by organizational culture. There is a necessary need for a fundamental change in the organizational culture in order to have a stronger integration between risk management and management accounting based on empirical data, but the inevitable result is that management accounting greatly supports risk management in the field of governance and performance management.

The study of Abu Afifa and Saleh (2021) aimed to find out the relationship between management accounting and organizational risk management through the mediating relationship of environmental uncertainty. By relying on empirical evidence from the Jordanian market as a developing country, a questionnaire was distributed to all Jordanian organizations listed in the Amman Stock Exchange for the year 2019. The study came to the conclusion that informational characteristics, timeliness and uncertainty have a significant impact on mediating the relationship between management accounting and risk management, in addition, the study found that this relationship will allow decision makers to build more sustainable accounting and risk management processes, as well as support opportunities to rely on higher quality and accurate accounting information.

LITERATURE REVIEW

Management Accounting

According to Gunarathne and Lee (2021), management accounting is defined as an information management system whose main task is to collect, tabulate, and store important data that is produced on other sub-systems within the organization in order to access information of a quantitative, financial and non-financial nature aimed at assisting management in making the appropriate and wise decision. As for da Rosa et al. (2020), management accounting is viewed as one of the branches of accounting, and it is specifically concerned with providing financial and non-financial information that helps the organization in its control and decision-making activities by relying on combining what is financial and non-financial to give a general and clear picture of the organization's performance.

In general, management accounting is based on the collection of data of different source and nature, which may be financial and non-financial, and from different parts of the organization in order to ensure reaching a stage where management is able to deal with unexpected events in the organization, and thus ensure High readiness to receive new events and a solid mechanism for wise decision-making (Phuong & Dung, 2021; Hendri et al.,2022). On the other hand, Nowak (2018) has argued that management accounting is financial reports that are related to various factors within the organization related to decision-making and affect management planning, performance, control and achievement of goals.

Azudin and Mansor (2018) confirms that management accounting is usually carried out by the specialized administrative accountant in the field, and is considered one of the supporters of the performance of the internal accounting department, which includes the management of the organization's assets, taxes, financial obligations, employee wages and many others. As for Hnedina and Vertiiko (2020) they indicated that management accounting was established in 1950 by the Anglo-American Council, and the task of the management accounting team was to prepare reports related to various organizational activities in the United States of America and to publish these reports under the name "Management Accounting."

Management Accounting Competencies

Abdusalomova (2019) and Endenich and Trapp (2020) referred to the idea that the management accountant or the financial and accounting specialist in general is among their roles in making administrative decisions and providing the necessary support in the field of synthesis of planning and management systems aimed at improving performance and preparing

financial reports in order to facilitate the mechanism of implementing the organization's strategies and achieving its goals.

Accordingly, the **IMA (Institute of Management Accountants)** has decided to define a set of competencies and capabilities that must be available in management accounting strategy in order to achieve its objectives, as follows (Köse & Ağdeniz, 2019; Golyagina & Valuckas, 2020; Parks, 2019; Lawson, 2019; Roland & Madison, 2019):

Strategic Management

It is represented in the total competencies that are studied in relation to the skills required to visualize the future and achieve organizational goals, in addition to the plans and strategies adopted, the decision-making mechanism and performance monitoring based on the outputs of strategic management.

Professional Ethics and Values

Refers to the nature of the competencies required in order to define values, ethical principles and legal compliance in order to provide a sustainable business model capable of achieving the desired organizational goals.

Reporting and Control

This competency is related to the skills and foundations of organizational performance measurement, ensuring its compliance with strategic standards and regulations, and reporting any defect that may exist in administrative reports, whether this defect is financial or non-financial.

Leadership

Refers to the sum of skills and aspires that are needed in order to lead the team towards organizational goals and support team's efforts into cooperating with each other so as to accomplish the desired results that are sustainable and well-built

Technology and Analytics

It is the sum of skills and competencies required in order to manage and deal with technology and programs related to data analysis in order to ensure the excellence of organizational performance. This efficiency refers to the systems that the organization adopts

in its internal operations in order to ensure that the organization's data is analyzed and converted into information that is easy to understand and circulate, and thus ensure a high level of rational decisions that lead to a distinguished organizational performance.

Business Acumen and Operations

This aspect refers to the nature of the competencies and skills required in order to contribute as a multi-business partnership at the level of the organization

The Difference Between Management Accounting and Financial Accounting

Organizations usually rely on management accounting and financial accounting in managing their internal and external activities and affairs, as these two areas help the organization in making rational decision and facilitating the task of development and improvement, in addition to avoiding risks or preparing the organization to deal with them (Ameen et al., 2018). As for the differences between management accounting and financial accounting, financial accounting contributes to keeping data and records and comparing the performance of the crisis over the years, while management accounting is useful in the areas of organizational performance analysis and the adoption of certain strategies in order to achieve organizational goals, but organizations adopt these two types of accounting together (Pham et al., 2020). Zahid and Vagif (2020) pointed out that the difference between management accounting and financial accounting lies in the fact that financial accounting is concerned with the financial information of the organization, while management accounting is concerned with finding out the financial and non-financial information and reporting any error in it.

Ping (2021) argued that financial accounting is relied on its data in dealing with internal and external parties to the organization, while management accounting is for internal use only. From the point of view of Hang (2020), disclosure is a duty in financial accounting, while management accounting is treated with complete confidentiality, while Kabalski and Zarzycka (2018) emphasized that financial accounting contains financial data and information only, while management accounting contains financial and non-financial data and information. As for Maheshwari et al. (2021), financial accounting has a specific and clear formula, while management accounting does not have a clear formula, but rather it provides a variety of information on organizational performance, future plans and strategies that can be adopted.

Risk Management and Management Accounting

Tarek et al. (2022) indicated that risk management is the state through which the risks that may face the organization are evaluated and the correct and sound frameworks are put in place in order to deal with them and address them with the least losses.

On his part, Alabdullah (2022) stated that the association of management accounting with risk management led to the creation of what is known today as risk management accounting, which refers to the accounting field in which the assessment of potential risks to the organization, such as failure of machinery or equipment, product damage, the inability to repay loans And commitment to financial responsibilities, and losses in investments.

Abu Afifa and Saleh (2022) and Bracci et al. (2021) argued that risk management accounting contributes strongly to balancing costs and losses when facing a risk, in addition to the organization's ability to determine the percentages of loss and the possibility of compensation for it through the ability of management accounting to divide risks into several parts, including:

- Financial risks: by identifying organizational practices that can lead to financial instability such as incorrect investments, and misallocation of resources.
- Human risks: These are risks that include the human element working in the organization, such as human errors, inaction, or even the loss of key employees.
- Environmental risks: They are risks that are outside the control of the organization, such as epidemics, natural disasters, power outages, and risk management accounting provides options for the organization in order to control the damage resulting from these risks, not to cancel and avoid them because the organization will not be able to do so.
- Physical risks: such as the loss of material resources such as the loss of land, buildings, machinery and equipment, or even up to investment risks

Importance of Management Accounting

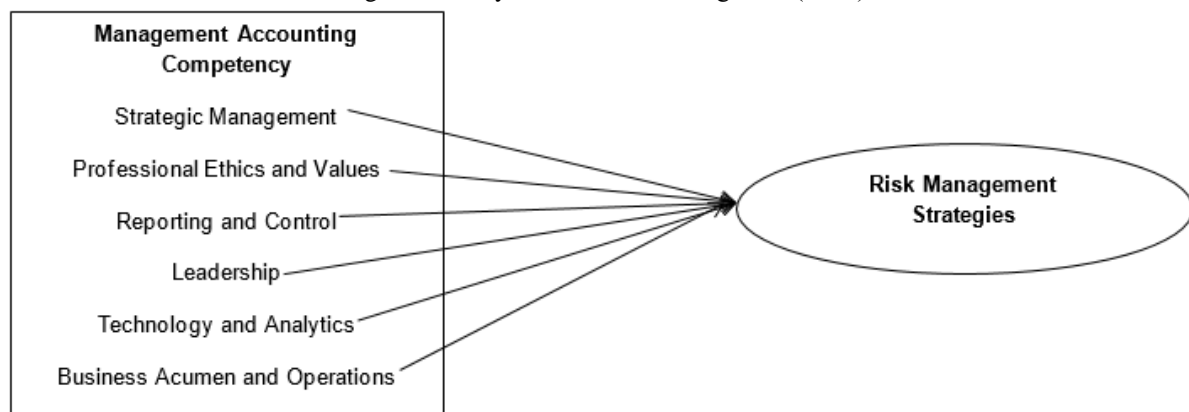
Management accounting plays an actual and important role in planning, as management accounting facilitates the process of defining and drawing organizational goals by preparing the necessary financial data and information and preparing organizational budgets such as sales budgets, cash budgets and flows, thus giving decision makers an overview of the nature of information they have and the rational decision most appropriate to it (Bracci et al., 2021).

On another level, management accounting has an active and prominent role in the control process by contributing to ensuring that the organization is committed to the foundations and procedures for achieving the goals set in advance, and indicating the shortcomings and shortcomings in the process of reaching and treating the goals (Campos et al., 2022).

Model and Hypotheses

Launching from hypotheses development and literature review presented earlier; researcher developed the following model which highlighted the relationship between variables followed by a set of hypotheses extracted from the model and hypotheses development:

Figure 1. Study Model Köse and Ağdeniz (2019)



Main hypothesis:

H: Management accounting competency has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries

Su-Hypotheses:

H1: Strategic management has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries

H2: Professional ethics and values has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries

H3: Reporting and control has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries

H4: Leadership has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries

H5: Technology and analytics has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries

H6: Business acumen and operations has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries

RESULTS AND METHODOLOGY

Methodological Approach

In order to reach the goal of the study, the quantitative approach was adopted in order to collect primary numerical data and then analyze it and indicate the arithmetic averages and standard deviations and translate them in relation to the phenomenon under study.

Tool of Study

The questionnaire was relied on as the main study tool, where the researcher built the questionnaire by reference to previous studies and the questionnaire consisted of two parts, the first dealt with the demographic information of the study sample members, while the second part dealt with paragraphs measuring the study variables, which included (Strategic Management, Professional Ethics and Values, Reporting and Control, Leadership, Technology and Analytics, Business Acumen and Operations). The questionnaire in its latest version consisted of (36) items distributed among the variables according to Table 1 below, and the questionnaire was built on a five-point Likert scale (1) Strongly disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (5) Strongly agree).

In line with the defense laws that still exist today with regard to COVID 19, the questionnaire was uploaded to the Google Forms platform in order to collect the primary data from the study sample members, and the questionnaire was left on the site for 5 consecutive weeks to collect the largest possible number of responses valid for analysis After the expiry of the mentioned period, the researcher was able to collect (257) valid questionnaire for statistical analysis, which indicated a response rate (85.6%) as being statistically valid.

Table 1. Questionnaire statements distribution on variables

| Variable | No. of Statements |
|---|-------------------|
| Management Accounting Competency | |
| Strategic Management | 5 |
| Professional Ethics and Values | 5 |
| Reporting and Control | 5 |
| Leadership | 5 |
| Technology and Analytics | 5 |
| Business Acumen and Operations | 5 |
| Risk Management Strategies | 6 |

Population and Sampling Technique

The study population was represented by financial managers and accountants working in Small and Medium Enterprises operating in Jordan and GCC countries during the fiscal year 2021-2022, and contact was made with human resources in these organizations in order to facilitate the process of reaching the sample members by sending a link on the e-mail to all participants. A convenience sample of (300) financial and accounting managers from micro and macro organizations in Jordan and GCC countries was chosen for participation, and after ensuring the full understanding and clear approval of the study sample members to participate in the questionnaire, the questionnaire link was sent to them via e-mail in order to collect the required responses.

Statistical Processing

SPSS has been relied upon to deal with the primary data collected, and the consistency and reliability of the study instrument has been ensured by Cronbach's alpha = 0.94 which meets the requirements because it was higher than the threshold value of 0.70. Among the other statistical tests that were used:

- Frequencies and percentages
- Means and standard deviation
- Multiple and linear regression

RESULTS AND DISCUSSION

Demographic Results

Frequency and percentage of study sample were calculated in the following table 2, and it appeared that majority of sample individuals were males forming (82.8%). In addition to that, it was seen that majority of the sample held MA degree forming (87.9%) of the sample and had an experience in the field with 10–13 years forming (37.4%) of the total sample.

Table 2. Demographics

| | | f | % |
|-------------------|--------------|------------|--------------|
| Gender | | | |
| Valid | Male | 212 | 82.5 |
| | Female | 45 | 17.5 |
| Education | | | |
| Valid | BA | 10 | 3.9 |
| | MA | 226 | 87.9 |
| | PhD | 21 | 8.2 |
| Experience | | | |
| Valid | 2-5 | 38 | 14.8 |
| | 6-9 | 63 | 24.5 |
| | 10-13 | 96 | 37.4 |
| | +14 | 60 | 23.3 |
| | Total | 257 | 100.0 |

Questionnaire Analysis

Table 3 below presented mean and standard deviation of respondents' answers to the questionnaire statements, it was seen that respondents held positive attitude towards statements of questionnaire given that all means were higher than mean of scale 3.00 which was seen to be statistically positive. The highest statement scored a mean of 4.37/5.00 articulated "Professional skills are holding the work in a strict approach" while the lowest mean scored a mean of 3.32/5.00 articulated "Guiding decision for the benefit of the organization is guaranteed" but still positive given that it was higher than mean of scale.

In comparison with general variables of study, it was seen in table 4 that (**Risk Management Strategies**) scored the highest mean of 4.16/5.00 while the lowest mean for variable was scored by (**Leadership**) which was 3.94/5.00 but still positive as it was higher than mean of scale 3.00.

Table 3. Descriptive Statistics of Statements

| | Mean | Std. Deviation |
|---|------|----------------|
| Management Accounting Competency | | |
| Strategic Management | | |
| Risk management is among the main cores of strategic management in accounting | 3.97 | .931 |
| Guiding decision for the benefit of the organization is guaranteed | 3.32 | 1.268 |
| Performance is monitored as according to strategy adopted | 4.20 | .812 |
| Planning and tactical strategies are adopted | 4.12 | .839 |
| Envision for the future is a key issue | 4.27 | .867 |
| Professional Ethics and Values | | |
| Excellence in performance is one of the main values in the organization | 3.86 | 1.035 |
| Organizational culture is based on ethics and values | 4.17 | .814 |
| Professionalism is a main value in the organization | 4.12 | .816 |
| Management makes sure that all skills are available among workers | 4.30 | .735 |

| | | |
|--|------|------|
| Management makes sure that work environment is supportive and healthy | 4.12 | .816 |
| Reporting and Control | | |
| Competences and skills are attracted all the time | 4.27 | .788 |
| Professional skills are holding the work in a strict approach | 4.37 | .914 |
| Continuous matching between performance and other standards and regulations | 4.05 | .934 |
| Measuring and reporting performance is a main function | 4.26 | .815 |
| Certain standards have to be followed in reaching excellent performance | 3.67 | .920 |
| Leadership | | |
| Leadership is cooperative and supportive | 3.74 | .753 |
| Ongoing training and supporting for leaders' skills is a main function in the organization | 3.81 | .858 |
| Leadership makes sure to work based on team-work | 3.86 | .778 |
| Leadership is mostly transformation when it comes to risks management | 4.23 | .737 |
| Empowerment is a main trait in leadership | 4.07 | .787 |
| Technology and Analytics | | |
| Continuous updating for all IT infrastructure takes place all the time | 3.96 | .937 |
| All programs used are up-to-date and recent | 4.15 | .803 |
| The organization benefits from trials of other competitors | 4.13 | .845 |
| AIS applications are the main accounting tools | 4.19 | .838 |
| All analytics are taken into consideration when making a decision | 4.16 | .876 |
| Business Acumen and Operations | | |
| Aspiration towards horizontal expansion is always under study | 3.83 | .814 |
| The organization learns from other trials in expansion and widening their activities | 4.20 | .788 |
| Operations are studies in a precise and beneficial way | 4.25 | .769 |
| Operations are examined for future reference | 4.17 | .880 |
| All operations are backed up with a risk management plan | 4.28 | .764 |
| Risk Management Strategies | | |
| With management accounting, risks are easily predicted | 4.21 | .875 |
| Predicting risks by management accounting eases the process of finding a risk plan | 3.89 | .824 |
| The organization connects between management accounting and risks strategies | 4.26 | .773 |
| Launching from accounting management results, better risk strategies are adopted | 4.28 | .764 |
| Management accounting help in supporting decision making | 4.21 | .875 |
| In risk management, management accounting is the first base for rational decision making | 4.17 | .956 |

Table 4. Variables' Statistics

| Variable | Mean | Std. Deviation |
|-----------------------------------|---------------|----------------|
| Strategic Management | 3.9759 | .67143 |
| Professional Ethics and Values | 4.1136 | .62538 |
| Reporting and Control | 4.1253 | .58977 |
| Leadership | 3.9409 | .53932 |
| Technology and Analytics | 4.1191 | .57986 |
| Business Acumen and Operations | 4.1447 | .56891 |
| Risk Management Strategies | 4.1667 | .64985 |

Hypotheses Testing

Table 5. Main Hypothesis Testing

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | t | Sig. | R | R Square |
|---|------------|-----------------------------|------------|---------------------------|--|--------|------|-------------|-------------|
| | | B | Std. Error | Beta | | | | | |
| 1 | (Constant) | .493 | .169 | | | 2.909 | .004 | .877 | .769 |
| | SM | -.025 | .050 | -.026 | | -.503 | .615 | | |
| | ethics | .052 | .073 | .050 | | .715 | .475 | | |
| | Reporting | -.047 | .066 | -.042 | | -.712 | .477 | | |
| | Leadership | -.006 | .061 | -.005 | | -.092 | .927 | | |
| | Technology | -.390 | .059 | -.348 | | -6.634 | .000 | | |
| | Acumen | 1.298 | .071 | 1.136 | | 18.384 | .000 | | |
| H: Management accounting competency has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries | | | | | | | | | |

Multiple regression was carried out in order to validate the hypothesis that was presented earlier. A strong relationship appeared between Management accounting competency and risk management strategies based on the value of $r = 0.877$. In addition, it was shown that the independent variables are responsible for a large amount (**76.9%**) of the variance that was caused by the dependent variable. In addition, it was found that the F value was statistically significant at the 0.05 level, which indicated that "Management accounting competency has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries".

The following table 6 presented the testing of sub-hypotheses according to individuals' responses and results from SPSS linear regression; however, it appeared through analysis that all hypotheses were accepted and there appeared to be an influence of management accounting competencies on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries, hypotheses testing details are as the following:

- A medium relationship was inferred between the independent variable and the dependent variable based on the value of $r = 0.38$. In addition, it was shown that the independent variables are responsible for (**14.4%**) of the variance that is caused by the dependent variable. In addition, it was found that the F value was statistically significant at the 0.05 level, which indicated that "Strategic management has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries".
- A medium relationship was inferred between the independent variable and the dependent variable based on the value of $r = 0.357$. In addition, it was shown that the

independent variables were responsible for **(12.7%)** of the variance that is caused by the dependent variable. F value was statistically significant at the 0.05 level, which indicated that "Professional ethics and values has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries ".

- A medium relationship was inferred between the independent variable and the dependent variable based on the value of $r = 0.39$. In addition, it was shown that the independent variables are responsible for **(15.2%)** of the variance that was caused by the dependent variable. F value was statistically significant at the 0.05 level, which indicated that "Reporting and control has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries ".

- A strong relationship was inferred between the independent variable and the dependent variable based on the value of $r = 0.651$. In addition, it was shown that the independent variables were responsible for **(42.3%)** of the variance that was caused by the dependent variable. F value was statistically significant at the 0.05 level, which indicated that "Leadership has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries ".

- A medium relationship was inferred between the independent variable and the dependent variable based on the value of $r = 0.528$. In addition, it was shown that the independent variables are responsible for **(27.9%)** of the variance that is caused by the dependent variable. F value was statistically significant at the 0.05 level, which indicates that "Technology and analytics has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries ".

- A strong relationship was inferred between the independent variable and the dependent variable based on the value of $r = 0.849$. In addition, it was shown that the independent variables were responsible for **(72%)** of the variance that was caused by the dependent variable. F value was statistically significant at the 0.05 level, which indicates that "Business acumen and operations has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries ".

Table 6. Sub-Hypotheses Testing

| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | |
|--|------------|-----------------------------|------------|---------------------------|--------|------|-------------------|----------|
| Model | | B | Std. Error | Beta | | | | |
| 1 | (Constant) | 2.705 | .226 | | 11.965 | .000 | | |
| | SM | .368 | .056 | .380 | 6.558 | .000 | | |
| H1: Strategic management has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries | | | | | | | | |
| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | R | R Square |
| Model | | B | Std. Error | Beta | | | | |
| 1 | (Constant) | 2.641 | .253 | | 10.442 | .000 | .357 ^a | .127 |
| | ethics | .371 | .061 | .357 | 6.101 | .000 | | |
| H2: Professional ethics and values has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries | | | | | | | | |
| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | |
| Model | | B | Std. Error | Beta | | | | |
| 1 | (Constant) | 2.395 | .265 | | 9.046 | .000 | | |
| | Reporting | .429 | .064 | .390 | 6.757 | .000 | | |
| H3: Reporting and control has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries | | | | | | | | |
| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | R | R Square |
| Model | | B | Std. Error | Beta | | | | |
| 1 | (Constant) | 1.078 | .228 | | 4.728 | .000 | .651 ^a | .423 |
| | Leadership | .784 | .057 | .651 | 13.678 | .000 | | |
| H4: Leadership has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries | | | | | | | | |
| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | R | R Square |
| Model | | B | Std. Error | Beta | | | | |
| 1 | (Constant) | 1.728 | .248 | | 6.971 | .000 | .528 ^a | .279 |
| | Technology | .592 | .060 | .528 | 9.937 | .000 | | |
| H5: Technology and analytics has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries | | | | | | | | |
| | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | R | R Square |
| Model | | B | Std. Error | Beta | | | | |
| 1 | (Constant) | .148 | .158 | | .936 | .350 | .849 ^a | .720 |
| | Acumen | .970 | .038 | .849 | 25.635 | .000 | | |
| H6: Business acumen and operations has a statistically positive influence on risk management strategies within Small and Medium Enterprises in Jordan and GCC countries | | | | | | | | |

DISCUSSION

The current research study aimed at examining the correlation between management accounting (Strategic Management, Professional Ethics and Values, Reporting and Control, Leadership, Technology and Analytics, Business Acumen and Operations) and risks

management strategies in order to support organizational efforts towards reaching its goals within Small and Medium Enterprises in Jordan and GCC countries during the fiscal year 2021-2022. Depending on quantitative methodology, (257) financial manager and accountant within Small and Medium Enterprises in Jordan and GCC countries responded to a self-administered questionnaire. SPSS was used in order to tackle the collected primary data, and the results indicated that respondents presented a high level of awareness regarding study variables which appeared in the questionnaire given that they managed to answer and deal with the questionnaire without any help.

It was found through the study that the variables related to management accounting have the most impact on risk management, which were represented in the business acumen and operations, which recorded a value of $r = 0.849$ and with a strong relationship with the dependent variable; as having a strong business acumen indicates having a deep understanding of different business activities and market fluctuations and knowing the activities that will affect organizational performance in the short and long term, therefore, business acumen facilitates the process of guiding organizations towards making appropriate decisions and leading the organization to the path of success continuous and this agreed with Köse and Ağdeniz (2019).

The study proved that there is a clear cooperation and impact that combines management accounting and risk management that is; management accounting affects the results of risk management as a result of the information and data you collect and present to decision makers for rational decision-making. The current study agreed with the outputs of a report issued by the Chartered Institute of Management Accountants CIMA, which confirmed that risk management refers to the strategies and processes adopted by organizations in order to control the risks that may be exposed to their business operations. In order to assess the risks, monitor the development of many of the risks that were predicted, and plan a mechanism to deal with and address them agreeing with Bracci et al. (2021).

Results of study came along with what Abu Afifa and Saleh (2021) argued that the cooperation between management accounting and risk management contributes to evaluating the risk through brainstorming among decision makers and relying on the experience and knowledge of accountants and financial managers with the smallest details of the organization, which can lead to identifying losses, their value and size, and The best way to ensure that it is addressed and to identify potential losses and gains.

In addition, the study proved through analysis that the combination of managerial accounting and risk management is based on resorting to accountants and financial managers,

and they are the most able to create an action plan to review potential risks and suggest the best ways to deal with them through an appropriate intervention method for the financial and accounting situation For the organization and based on a risk strategy that enables management to brainstorm and reach the best solutions.

CONCLUSION

Through the analysis and discussion of the above results in the current study, the relationship between management accounting and risk management is clear through the ability of management accounting to provide many financial and non-financial information necessary for making rational decisions, in addition, management accounting provides assistance Managers from different departments have control over operational activities so that they provide financial and non-financial data, and help to compare among them, and take advantage of the differences in comparison to show the shortcomings and strengths in organizational activities and the adopted plans, and thus carry out the correction process as necessary and in accordance with the interest of the organization.

From that, current research study recommended the following:

- Strengthening the importance of the management accounting function in business organizations of all sizes
- Developing and increasing awareness of the importance of management accounting in organizational risk management by promoting the comprehensive and integrated perspective and abandoning the individual perspective of management accounting in the organization
- Work to provide the material and technological capabilities necessary for the management accounting function.

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