

GREAT ZIMBABWE UNIVERSITY



MUNHUMUTAPA SCHOOL OF COMMERCE

DEPARTMENT OF ACCOUNTING AND INFORMATION SYSTEMS

AN ANALYSIS OF MANAGEMENT ACCOUNTING PRACTICES (MAPs) OF SMALL TO
MEDIUM ENTERPRISES

RESEARCH PROJECT

BY

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DECLARATION

I, Caroline Mhlanga do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the Acknowledgements, References and by comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university

Date: _____

Student signature



Date: 15 February 2024

Supervisor's Signature

DEDICATION

I am dedicating this research to my husband Chrispen Zihumo, my children Anenyasha and Anotidaishe who stood by me even when I could not afford them the attention, they deserved because of the tight deadlines I had to meet. They gave me the much-needed moral support and encouragement to soldier on even when things were so tight. I love you so much.

ABSTRACT

The purpose of the study was to analyse Zimbabwe's small- to medium-sized businesses' Management Accounting Practices. The topic was chosen because, despite the growing body of research on SMEs, there doesn't appear to be a dearth of studies that have examined the MAPs of SMEs in Zimbabwe. The literature review demonstrated how the various MAPs that SMEs can implement can be understood through the lens of contingency theory.

To fully address the problem at hand the researcher used a pragmatism research philosophy which allowed the researcher to evaluate people's belief and find the truth in a practical manner aiding a better understanding of MAPs of SMEs. The researcher used an abductive research approach which can be used to generate hypothesis or explanation that guide in decision making, even in the face of uncertainty or incomplete information. The research sample was made of 60 SMEs in Mutare CBD. Simple random sampling and purposive sampling were used to select the respondents. The data collected was sorted and presented on bar graphs, pie chart and tables. From the findings it was concluded that most SMEs in Mutare CBD were not using MAPs. Further the researcher came to the conclusion that costing, budgetary control, performance measurement and decision control are of paramount importance in improving the performance of SMEs. From the findings it was recommended that SMEs owners and employees should further their education in the area of cost and management accounting through training. And also, SMEs owners and managers should create organisational structure that is compatible with the adoption and application of MAPs.

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CHAPTER I

Introduction

Management accounting practices help firms to prioritize and maximize their resources, by controlling costs and expenses, assessing performance, deciding on investments, setting prices, and enhancing overall business quality (Lopez & Hiebel, 2014). Management accounting procedures, in accordance with (Uyar, 2019), allow a company to carry out cost management more precisely, enhancing operational success. Furthermore, development plans, strategy development, operational control, serving as the primary information system for decision-making, and change management are all made possible by Management Accounting Practices (MAPs) (Dlamini, 2021).

The main goal of this research is to analyse the Management Accounting Practices (Maps) of Small to medium enterprises. The contextual background of the study, the problem statement, the research questions, the research objectives and assumptions, the limitations and delimitations of the study, the significance of the study, and the definition of key terms are the main topics covered in this chapter. This is in addition to a preview of the literature review and research methodology.

1.1 Background of the study

According to (Jariya, 2021) countries all over the world are reportedly implementing management accounting techniques more frequently, and there is proof that those companies have found success by implementing cost control, continuous development and collective decision are used for their strategic advantage. A study done in the United Kingdom and New Zealand, (Jariya, 2021) revealed that management accounting practices were commonly used in both countries and these developed countries were concentrating on contemporary management practices. In a study in Canada, SMEs in manufacturing use a wider set of methods such as operating budgets, costing systems and variance analysis (Howard et al 2016). According to the findings of a study conducted in Malaysia, SMEs were more likely to use simple MAPs like costing, budgeting, and performance measurement systems (PMS) than more complex MAPs

like DSS and SMA (Kamila 2017). When compared to other developed nations, Malaysia's rate of MAP usage seems to be quite low (Jaradat, 2021). In Argentina businesses that use Management Accounting Practices outperform those that do not, and business that use management accounting practices show a keen interest in new tools for strategic management accounting (SMA). In contrast businesses that do not adopt these techniques place a solid emphasis on old management accounting practices for instance budgeting and cost accounting system (Alvarez, 2021). A list of 19 MAPs, categorized into five groups that is performance evaluation, budgeting, performance compensation, strategic analysis, and decision making was included in Krisnadew's (2018) investigation into the adoption of MAPs in Indonesia, specifically in Denpasar, Bali. According to the survey, only a small number of MAPs particularly the preparation of the flexible operating budget the financial performance assessment as a benchmark for budget conformance were put into practice among Bali hotels. (Jariya, 2019) examined the implementation of MAPs in Sri Lanka by utilizing a subset of empirical research articles pertaining to Sri Lanka. The study discovered that Sri Lankan businesses use traditional MAPs to varying degrees and that there were significant differences in the use of modern MAPs between multinational companies operating in Sri Lanka and indigenous Sri Lankan businesses. The qualitative factors, such as the company's origin and size, account for the difference. According to a study conducted in Sri Lanka (Ruwathi, 2022), stated that non-financial and financial data help organizations grow, adapt to change, and better compete, all of which lead to higher performance. Ruwathi (2022) continued by stating that, although effective Maps do not ensure success, their absence or incorrect application can have a major impact on a company's ability to compete.

According to (Etim, 2020), the Management Accounting Practices variables used by SMEs in Nigeria were budgeting system, costing system, decision support, performance evaluation, and strategic management accounting. In South Africa budgeting systems were most used by SMEs which were traditional management tools, however, they endeavoured to integrate modern MAPs such as decision support systems into their business (Vilakazi, 2020). (Dlamini, 2020) carried out a study in Zimbabwe and demonstrated that organizations in the Bulawayo Metropolitan Province primarily employ traditional MAPs in their operations while utilizing a small number

of contemporary MAPs, like strategic management accounting and activity-based budgeting. (Dlamini, 2022) postulated that MAPs use is not very high in Zimbabwe because of availability of funds, social- socioeconomic environment and cost related with application of management accounting practices.

Domingo (2017) pointed out that SMEs are believed to be the solution to economic growth difficulties in both emerging and developed economies. In addition, (Dlamini 2022), highlighted that the critical role of SMEs in economic growth is also a reality in Zimbabwe. He also added that the SME sector plays an important part in the creation of jobs and enhancing individual wealth, contributing to an improvement in the living standards and poverty reduction. In an exploratory study done in Zimbabwe by Dlamini and Schutte (2021), an indication was made that there is a low uptake of management accounting in the SME sector which is the reason for survival challenges and failure. Research interests centered on small to medium enterprises have proliferated because of small to medium enterprises (SMEs) becoming a hot topic among researchers worldwide. However, it is widely acknowledged in the literature that a number of factors, including inadequate management, such as the failure to implement MAPs, frequently impede the growth of SMEs, particularly in developing nations like Zimbabwe.

Owners and managers of SMEs operating in any industry can use management accounting as a source of information for making decisions and performance measurement (Ngibe & Lekhanya, 2019). The significance of MAPs for businesses of all sizes cannot be overstated (Maziriri & Mapuranag, 2017). It has long been acknowledged that effective management accounting practices are critical to the management of any size company (European Commission (EC), 2008). It is essential that SMEs' management accounting practices offer thorough and relevant data that improves the financial decisions that businesses make (Msomi et al 2019). This research therefore focuses analysing the Management Accounting Practices of small to medium enterprises.

1.2 Statement of the problem

Many SMEs, are failing and others are not performing well due to failure to adopt management accounting practice (Hopper 2019). The claim is consistent with (Ahamd, 2020) who postulated that poor management accounting practice leads to discontinuity of business among SMEs. According to (Etim, 2020), SMEs in Nigeria have a long history of failing, and the main causes of their downfall have been their incapacity to accurately price their goods, their inadequate budgeting and skill sets, their incapacity to assess performance, their incapacity to use decision support systems, and their inadequate strategic management accounting abilities. Muduekwe (2015) states that ineffective management accounting practices, such as the absence of budgeting, pricing tools, and performance management tools, are seen as a contributing aspect in the failure of SMEs in South Africa. In Zimbabwe many SMEs are as well failing and the reason has been attributed to not embracing management accounting practices (Maseko and Manyani 2014). Failure of SMEs in Zimbabwe is contributing to rampant unemployment, drastic reduction of gross domestic product and deplorable standards of living of many of the Zimbabwean citizens. Against this background, the researcher has decided to conduct an analysis on the management accounting practice of SMEs to find the extent to which SMEs in Zimbabwe are using MAPs, the different MAPs which can be implemented by SMEs, the impact of using MAPs and factors influence the application of MAPs by SMEs.

1.3 Purpose of the study

SMEs now account for the great majority of businesses in the majority of developing nations. In the increasingly globalized business environment, many small and medium-sized businesses fight for survival. The aim of this research is to analyze the Management Accounting Practices of SMEs. The study focuses on Zimbabwe.

1.4 Research Questions

- i. To what extent do SMEs in Zimbabwe use Management Accounting Practice (MAPs)?
- ii. What different types of MAPs should be adopted by SMEs?
- iii. What is the impact of using MAPs by SMEs?
- iv. What factors influence the use of MAPs by SMEs?

1.5 Research Objectives

- i.** To determine the extent to which SMEs use MAPs in Zimbabwe.
- ii.** To determine the different types of MAPs that should be adopted by SMEs.
- iii.** To explore the impact of MAPs on the performance of SMEs.
- iv.** To establish the factors that influence the application of MAPs by SMEs.

1.6 Justification of the study

1.6.1 Importance of the subject matter under consideration

The study will help identify concepts that can be used to improve MAPs execution, plan and control efficient use of resources, maintain internal controls, and develop cooperative strategies.

Besides the above, the subject matter is also important to the following

The Researcher

The research will help the researcher to appreciate the importance Management Accounting Practice on SMEs in the developing countries. The study is also going to help the researcher in fulfilment of the requirement of the masters in professional accounting and Corporate governance degree at Great Zimbabwe University.

Great Zimbabwe University

This research will enable the Great Zimbabwe University to increase its literature base at the same time using the research as a point of reference for other coming streams of students. Moreover, the research will also enable the university to bring in new knowledge on what is currently going on around the world within the industry of SMEs. In other words, the University will manage to understand the changes and developments that have popped up within the contemporary ambiance of SMEs at the same time contrasting the study findings with those of the previous researchers and the researchers to come.

Small to Medium Enterprises

The research enabled the SMEs to realize and understand their management accounting capacity, then they use that understanding as a tool to develop better Management Accounting Practices. From this research the SMEs will be able to concoct collaborations with other stakeholders to develop their management accounting.

Government – Ministry of Small to Medium Enterprise

The research will act as an eye opener to the Ministry of SMEs on the areas that need quick transformation and future acceleration for the sake of their power-packed sustainability. In other words, the study will assist the Ministry to understand the changes and developments in the industry of SMEs. This research will also assist the Ministry to realize their gaps in the ministry and to find ways to engage effective collaborators such as the Non-governmental organisations and some local community-based organisations.

1.7 Research Assumptions

The following presumptions guided the researcher's work in conducting this study:

- The research is predicated on the idea that every respondent will provide truthful and open responses to the questions.
- It is anticipated that participants will voluntarily participate in the study and have no ulterior intentions.
- The interviewees would have sufficient knowledge of management accounting practices and will give relevant information.
- The investigator will remain well throughout the duration of the investigation.
- The amount of time available to the researcher for research would be adequate to finish the study.

1.8 Delimitations of the study

1.8.1 Physical delimitation

The study focuses on analysing Management Accounting Practices of SMEs. The researcher will mainly focus on the Mutare Town SMEs.

1.8.2 Time scope delimitation

The study period on analysing the MAPs of SMEs in Mutare is from 2018 to 2023

1.9 Limitations of the study

The research is subject to various limitations, including financial, physical, and time constraints.

1.9.1 Financial constraints

Money was a limiting factor in terms of meeting travelling expenses, typing and printing of interviews questions as well as telephone calls. To overcome this the researcher embarked on revenue generating projects to supplement the salary.

1.9.2 Physical Constraints

The researcher might face a challenge that some management of the SMEs would not want to provide their information. The researcher will guarantee the respondents that the information gathered will be confidential and names of companies will not be published. The researcher will also get a clearance from the University to show the managers that the research is for academic purposes only.

1.9.3 Time constraints

Due to her dual responsibilities as an employee and student, the researcher's time for working on the project is restricted. As a result, the researcher intends to work on the project on the weekends and after work.

1.10 Definition of Key term

Management Accounting practices

Management accounting practices are sets of techniques meant at give managers access to financial information so they can make decisions and effectively manage the resources of their company (CIMA, 2015).

Small to Medium Enterprises

According to Crane (2020), SMEs are defined as independent businesses that do not have subsidiaries and employ fewer than a specific number of people. Businesses with fewer than 500 employees are classified as SMEs in the United States, although some other countries have set an upper limit of 200 employees. As in the European Union, 250 employees are the typical upper limit for designating a SME (Crane 2020). In 2022, the Ministry of Small and Medium Enterprises and Cooperative Development of the Zimbabwean government defined small and medium enterprises as those with fewer than 50 employees and medium enterprises as those with between 75 and 100 employees. This study used the definition provided by Ministry of Small to Medium Enterprises and Cooperative development in (2022) as it applies to the SMEs in Zimbabwe under study.

1.11 Acronyms

MAPs	Management Accounting Practices
SME	Small to Medium Enterprises
SMA	Strategic Management Accounting

1.12 Project Outline

The research will comprise of five definite chapters namely chapter 1 up to Chapter V.

Chapter I will present the study and gives an outline of the study examining the background, problem statement, objectives of the study, research questions, significance of the study, assumptions, delimitations, meanings of terms, and project outline

Chapter II will be involved with literature review taking a gander at past investigations done, and revelations made.

Chapter III will fuse on the methodology of the study, clarifying how it will be led, how moral issues will be tended to, and the systems to be taken to concoct the data

Chapter IV will dwell on the analysis and translation of the information in the wake of gathering the information

Chapter V will conclude the research, summing up the research's findings, providing the major conclusions of the research in line with the research questions, in addition to giving suggestive recommendations based on the findings obtained and further areas of study for future research

1.13 Summary

The chapter covered the introduction, background of the study, problem statement, study questions, objectives and significance of the study. The study also covered the assumptions of the study, limitations of the study, delimitations and definition of terms. The next chapter will cover the literature review.

CHAPTER 11

LITERATURE REVIEW

2.0 Introduction

Chapter 1 looked at the background of the study, research problem, research questions, research objectives, significance of the study, delimitations, limitations and definition of terms and research outline. This chapter is going to look at the theoretical framework and the empirical literature addressing the research objectives.

2.1 Theoretical framework

The theory underpinning this research study is the contingency theory. This theory was seen relevant and important in understanding the use of MAPs to enhance the performance of SMEs.

2.1.1 The Contingency theory

Contingency theory, as put forth by Otley in 1980, maintains that there isn't a single best way to manage an organization that can be applied to all organizations uniformly and under all circumstances. Basically, accounting management procedures vary from organization to organization Haldmaand Lääts (2019). The theory looks at several aspects that help management choose the best accounting procedures (Formana and Hunt2017). Numerous contingency factors, both internal and external, can be used to explain why MAPs are applied within organizations (Amara and Benelifa 2017). These variables could be an organization's infrastructure or advancements in technology. Organizational design therefore depends on contingent factors that are appropriate for the given situation because there is no one model of organization that can adequately capture the variety of organized designs (Shahzadi, Khan, and Toor 2018). The foundation of the contingency approach to management accounting is the idea that no accounting system is universally suitable for all organizations under all conditions (Otley 1980). Furthermore, according to this theory, the specifics of an accounting system that is appropriate will depend on the unique situation that an organization finds itself in (Otley 1980). Contingency theory implies that there isn't a single MAS that is suitable for all organizations, according to Otley (2016). Other contextual factors that prevent the MAS from fitting into all industries

include technological and environmental ones (Ismail, Zainuddin, and Sapiei 2018). Forman and Lancioni (2019) reclassified these contextual factors into internal and external factors. It was maintained that the efficacy of each designed MAS stems from its capacity to adjust to shifting internal and external variables within each organization. According to Ismael et al. (2017), the external environment, technology, structure, culture, and strategies can be used to summarize the contextual factors discussed here. According to Islam and Hu (2018), in order for the MAS to endure and function well, its organizational structure needs to match the characteristics of an organization. According to Harney (2016), contingency theory is a method that argues that a one-size-fits-all approach is inappropriate and that in order for it to be successful,

2.1.2 The Role Management Accounting and Contingency theory

The contingency theory's application to accounting information systems results in a study of those systems. This is made possible by presuming that managers operate with the intention of improving business performance and adjusting their organizations to changes in organizational factors. In this way, researchers look for patterns that link the organizational and environmental elements that promote high performance. Vroom et al. (1973) state that several factors determine how effective a decision-making process is:

- The significance of decision quality and consent;
- The quantity of pertinent information held by the team leader and collaborators.
- The likelihood that the participants will work together to reach a wise decision.

This suggests that understanding accounting systems depends heavily on the contingency theory. By using this contingent approach, the organizational structure's component, the accounting information system, is subject to the conditions imposed by the environment in which the business operates. It needs to adjust to a number of contingent variables, including the firm's age ownership structure sector of activity and size (Lavigne, 1999). The corporate strategy the market competition and the national culture are presented as a list of contingent variables (Hoque, 2011). According to the latter, SME performance measurement systems are unable to adjust to the "Balanced Scorecard's" balanced structure

There are contingent factors that impact the adoption MAPs. In essence, contingency theory implies that each organization's application of management accounting practice will depend on

its strategy (internal factors) and external factors (environment) (Ghasemi et al., 2015). The fundamental tenet of contingency theory is that each organization has distinct internal and external factors (Macy and Arunachalam 2018). The challenges that the business environment faces are largely due to changes in technology and competition. This makes it necessary for an organization to implement new accounting methods specifically for cost management. This claims that the adoption of MAPs is caused by changes in business strategy, technology advancement, and competition (Dupuy, 1990).

2.1.3 Relevance of the contingency theory

The contingency theory approach is relevant because the researcher wanted explore the MAPs that should be implemented by the SMEs and at the same time to understand 'why' certain MAPs can be implemented in a specific organisation compared to other distinct organizations. To have this understanding, the goal of the contingency theory is to identify particular MAP characteristics and then find a correlation between these characteristics and particular environmental features. Thus, the best way to comprehend the use of MAPs in a particular environment is to analyse the primary contingency factors.

According to the contingency theory, the environmental aspects that influence MAP adoption and utilisation in businesses are frequently divided into external and internal organisational factors (Hilton, 2014). The owners' degree of education and experience, the firm's size, its structure, and employee training are among the internal organizational factors that have been identified (Gyawali, 2017). External factors include the business environment, government supporting agencies, technology, changes in the economy and the cost of hiring Management Accountants and Accounting Practitioners (Smith, 2019). By looking at the internal and external factors that influence the adoption and utilisation of MAPs from the contingency perspective, research objective three of this study was addressed which sought to explore the underlying factors which influence the adoption and utilisation of MAPs by SMEs.

Commented [MN1]: You need to make a detailed review of this theory and write an average of 3 pages. How is this theory going to be of help? Has the theory been used by other researchers and how ? Whats the relevance of this theory to your study

2.1.3 Weaknesses of the contingency theory

Though the theory has had more support in accounting research, there are still some who disagree with it. This is coming up in a few specific cases where its proper use in management accounting is questioned. According to Galunic and Eisenhardt (1994), contingency theory is criticized for being static and unable to address organizational change and adaptation. According to Donaldson (2006), there is criticism that organizations should not rationally adjust their structure to align with their contingencies since, even as they do so, the contingencies changes, making the organizational structural change ineffective. Another contingency theory's weaknesses is that, even with a much greater volume of contingency research, "it is not clear whether positivistic prescriptions that are stable across time and national and organizational culture are likely to be found" (Chapman et al., 2017). Additionally, there is a possibility known as "equifinality," in which various strategies can frequently result in the same outcomes; in other words, various contingency factors may give rise to the same accounting impact. This theory does not account for that probability. Acceptance of the findings related to contingency theory is severely hampered by the literature's largely independent development. (Chapman et al. 2017), and their relationship is not particularly strong. Furthermore, very few of the studies reference one another. The limitations of research using a contingency theory approach have been brought to light by Gerdin and Greve (2014). They contend that inconsistent theory, insufficient data, and different definitions of variables plague this theory.

2.2 Conceptual and Empirical Framework

2.2.1 Objective 1: To determine the extent to which SMEs use MAPs in Zimbabwe

2.2.1.1 Definition of management accounting

When making decisions, managers in an organization consult information, especially financial data about their companies. This gives them an advantage over other firms. Management accounting is the result of many years of business experiences and techniques (Dlamini, 2021).

According to Jariya (2019), management accounting is the process of giving managers access to both financial and non-financial data. The science of management accounting describes how appropriate financial and non-financial data are supplied to support decision-making, planning, control, and performance evaluation in any aspirational successful organization (Lopez, 2014). Management accounting is a vital instrument for decision-making in any kind of organization. Furthermore, management accounting is an essential tool for efficient business management since it gives managers the right information to make decisions that will affect the organization's success (Hopper, 2019). Additionally as (Kamilah, 2017) makes clear, management accounting is about providing information to individuals within the company to support decision-making and enhance the effectiveness and efficiency of ongoing operations. Moreover, management accounting's primary goals are to increase an organization's profitability and performance while supporting managers in their decision-making process by offering pertinent non-financial and financial data (Ngibe & Lekhanye, 2019). Based on the diverse interpretations, it can be inferred that managerial accounting pertains to the providing information to managers, or individuals who are inside an organization and are responsible for overseeing and directing its activities.

2.2.1.2 Definition of Management accounting practices

Management accounting practices are linked to offering management solutions for internal management needs, claims Jariya (2021). According to Garrison et al. (2020), management accounting practices are organizational information systems that give a company access to relevant information so it can benefit both its clients and the businesses. MAPs help organizations make effective decisions and promote the desired actions (Ghomore, 2016). Information for budgeting, performance evaluation, decision-making, and strategic analyses are just a few of the many uses for management accounting practices (Hopper, 2019).

2.2.1.3 Definition of performance

Business performance refers to how well a company meets the needs of all of its stakeholders and how effective and efficient it is in achieving the objectives that have been set (Kamilah, 2017). According to Dlamini (2021), business performance is the overall impact of technology-

enabled performance on all firm activities, including cost containment, revenue growth, and competitiveness. According to Ballada (2020), business performance can be characterized by both the amount of work completed and the outcomes obtained.

2.2.1.4 Definition of Small to Medium Enterprises

According to Crane (2020), SMEs are defined as independent businesses that do not have subsidiaries and employ fewer than a specific number of people. Businesses with fewer than 500 employees are classified as SMEs in the United States, although some other countries have set an upper limit of 200 employees. As in the European Union, 250 employees are the typical upper limit for designating a SME (Crane 2020). In 2022, the Ministry of Small and Medium Enterprises and Cooperative Development of the Zimbabwean government defined small and medium enterprises as those with fewer than 50 employees and medium enterprises as those with between 75 and 100 employees. This study used the definition provided by Ministry of Small to Medium Enterprises and Cooperative development in (2022) as it applies to the SMEs in Zimbabwe under study.

2.2.1.5 To determine the extent to which SMEs use MAPs in Zimbabwe.

Karki carried out a study on MAPs among 3030 manufacturing firms in 2019. The study's findings showed a discrepancy between accounting practice and theory. Chowdhury (2016) studied MAPs in the United Kingdom food industry in a study that was similar to this one. The study's findings showed that, despite the use of traditional accounting practices in those sectors, there is still sign of a discrepancy between the accepted accounting practices as described in accounting textbooks and the real accounting practices employed by businesses.

(Karki, 2019) conducted a study along these lines. Although the firms under investigation have made significant efforts to implement new MAPs, these studies revealed that traditional accounting methods were still in use. According to these studies, effective implementation of new MAPs would complement rather than replace the conventional methods. (Ahimid & Ghani, 2019) conducted a study on MAPs among retail firms in Finland, confirming this position. The

study found that with minimal adjustments, conventional MAPs like budgeting and product profitability analysis would remain helpful in the future to meet the demands of the contemporary business environment.

The study on the adoption and use of MAPs by firms was expanded by Ahimad & Ghani (2019) to include American and Japanese companies. It was found that there were a few areas in which the use of MAPs by businesses in these countries was similar. There were similarities, for instance, with businesses that use absorption and direct costing to tally their production costs. Nonetheless, one area where these companies' capital budgeting models varied from one another in order to make well-informed decisions was observed. That is, American businesses used Net Present Value (NPV) and Internal Rate of Returns (IRR), whereas Japanese businesses used the payback technique.

According to Ahimad & Ghani (2019), MAPs are used by Japanese businesses. They demonstrated that Japanese businesses did not adopt any new MAPs approaches, in contrast to those of western businesses. Instead, for efficient cost control and decision-making, the companies used some cost accounting techniques like target costing and other performance-enhancing strategies.

Smith (2019) carried out a study that contrasted the accounting practices in Australia with those implemented in the US and Canada. He discovered that MAPs were used less frequently by Australian businesses than by businesses in the US and Canada. All things considered, Australian firms adopted other accounting techniques such as value chain analysis, budgeting, and target costing at higher rates than they do MAPs. A study was conducted by Gautan & Battari (2014) to evaluate the quality of MAPs used by the majority of Japanese businesses. They disclosed that the development of MAPs in China has been impeded by a lack of knowledge about how western MAPs function. This is consistent with the results of the research conducted by Eugen and Miston (2017).

In Malasiya, Alloney & Marshall (2018) studied MAPs in the manufacturing and service sectors. The findings showed that while 50–70% of the firms studied used long-term planning and other traditional MAPs techniques moderately, over 70% of the firms studied used capital budgeting. Due to a lack of knowledge about new techniques, a lack of experience, and possibly most importantly a lack of support from upper management, there was a low adoption rate of the

complex methods. This was supported by Parker's (2020) study, which yielded similar findings. A study on MAPs was conducted on five manufacturing firms in Africa by Maziriri & Mapuranga (2017). The study's conclusions showed that the company's adoption of MAPs had only modest changes in areas such as the use of Balance Scorecard (BSC) and activity-based cost allocation systems for performance evaluation.

Many of the previously reviewed studies on MAPs and firms' performance were carried out in developed nations, with relatively few being conducted in developing nations like Zimbabwe. This fuelled the researcher's interest in investigating the impact of MAPs on the operations of SMEs in Mutare.

2.2.2 Objective 2: To determine the different types of MAPs that should be adopted by SMEs

2.2.2.1 Costing practices

Management can forecast and plan for future operations in addition to controlling current operations thanks to costing practices, which give management comprehensive cost information on all organizational processes (Dlamini, 2022). For instance, product costs are budgeted using standard costing, which uses pre-set average expected unit costs of products; these can subsequently be compared to actual production costs as incurred (Hopper, 2019). The process of costing entails obtaining, categorizing, and allocating expenses that a company incurs.

Businesses can select cost collection, classification, and allocation strategies based on what works best for their operations. The most popular cost collection strategies in manufacturing companies are contract-to-cost and job costing. According to Drury (2017), job costing in an organization is the process of designating a unit or batch of a good or service as distinct and allocating all expenses related to that unit or "job" to the good or service. For instance, all manufacturing expenses for a machine that an engineering firm designs in accordance with customer specifications can be applied to that machine. In contrast, this system is useless if a company is mass producing the same products in identical units using the same amount of material and overheads per unit. In these situations, it becomes essential to allocate costs to various product production processes; this is referred to as process costing (Etim, 2020).

According to Drury (2017), expenses must be distributed after they have been gathered in a way that facilitates the process of pricing goods and services. Depending on the kind of product and the manufacturing processes involved, businesses frequently use full absorption costing and variable costing to accomplish this goal. Another option is to employ a costing system that combines components of the first two approaches. The selection of a suitable costing system, according to Jariya (2021), has a significant impact on decisions made in the short- and long-term on things like cost control, making vs buying, pricing, and product mix.

According to Krisnadewi (2018), research on costing practices has primarily focused on advancing the argument between marginal or variable costing, which divides fixed and variable costs for short-term decision-making, and traditional absorption methods. This is because fixed costs are not thought to be necessary for short-term decision-making. Nonetheless, the primary obstacle to the implementation of marginal costing in businesses is the regulatory and accounting reporting communities' disapproval of the practice. For instance, the United Kingdom's 1988 implementation of SSAP 9, the Statement of Standard Accounting Practices on Stocks and Long-Term Contracts, advised the use of absorption costing in financial reporting.

With the advent of more recent costing systems like activity-based costing (ABC), there have also been advancements in costing systems. In contrast to traditional costing methods, this system gathers expenses related to specific activities and distributes them utilizing cost drivers (Sharma, 2015). Because of their multifaceted and strategic approaches, these and other later developed costing systems, like target costing, life cycle costing, and throughput costing, are found under strategic management accounting techniques (Ahmad, 2017).

This study looked at the different types of MAPs that can be used by SMEs Mutare taking into consideration costing practices.

2.2.2.2 Budgeting support practices

Planning and coordinating different company resources, tasks, and activities is typically how control is gained (Drury, 2017). Furthermore, Drury (2017) pointed out that budgets are frequently utilized to accomplish these goals. Budgets are an organization's future action plans that specify how funds and labour will be used to accomplish the intended result. (Ghomore,

2016). Budgets of various kinds can be created for various purposes and time periods, and they are typically combined into a single master budget (Ghomore, 2016). For various operational domains, including sales, purchasing, and production, budgets can be created. Budgets, therefore, can be very important in operational planning. The time range that the budget covers is known as the budget period or interval. Most businesses create annual budgets, but if necessary, they can also be divided into monthly segments for budgetary purposes (Hilton, 2014). Organizations can approach budgeting processes in two extreme ways. According to official CIMA terminology, top-down budgeting is a process in which budgets are prepared by executives at the top of an organizational hierarchy and then imposed upon participants at the bottom, who are then responsible for putting them into action. Conversely, bottom-up budgeting allows budget holders to either set the budget or take part in the budgeting process (Gyawali, 2017). Both approaches to budgeting can be used in SMEs. Users may be asked to contribute to the process, or owners or senior managers may impose a budget on them.

The manner in which the budgeting process is approached shapes the types of budgets that are created. For instance, incremental budgeting creates a new budget based on the prior one with adjustments for the current period, whereas zero-based budgeting (ZBB) starts the entire process over (Shah & Ojha, 2016). The field of budgeting is still developing, and MAPs have emerged as a viable alternative to traditional budgets, which are bureaucratic, internal-focused, and often require a significant amount of an organization's time to prepare (Adhikari, 2017). According to Garrison, Noreen, and Brewer (2019), they thus promote the notion of going "beyond budget" and support the use of rolling forecasts and other focused, strategic plans. These improved budgeting MAPs have emerged, but their application is still controversial and limited (Alley & Mashall, 2018).

This research looked at the different types of MAPs that should be adopted and utilised by SMEs considering Budgeting practices into account.

2.2.2.3 Performance measurement practices

A performance measurement is a "metric" of performance, according to Ballada (2020). As per Chowdary (2016), a performance measure is essentially a tool for measuring the efficacy and efficiency of a particular action. According to Hopper (2019), there are two primary processes

involved in performance measurements: "measurement" and "management." The processes of establishing objectives and selecting what to measure are included in the measuring process. Performance data collection, analysis, and interpretation are all steps in the process. The management process involves determining how actual and desired A company's performance can be evaluated using a combination of financial and non-financial performance indicators.

Financial measures, which are frequently expressed as ratios, include accounting measures that are based on impartial financial data. According to Etim (2020), these ratios can be used to assess a company's efficiency, profitability, and solvency risk. Although financial measures are trustworthy, they can be manipulated, subject to human error, and distort accounting policies (Kamilah, 2017).

Conversely, non-financial performance measures focus on other aspects of a company, like clients, staff, goods, and quality (Gyawali, 2017). Numerous businesses frequently use non-financial metrics, such as absenteeism rates, customer complaints, and the number of on-time deliveries (Ahmad & Ghami, 2019). The majority of these actions are only temporary in nature. Nonetheless, long-term decisions can be supported by strategic measures (Bhattra, 2020).

It was found that companies typically prioritize financial performance metrics over non-financial ones. Financial performance metrics are frequently too internally focused, lack a strategic focus, and cannot be used for long-term planning and control, according to arguments made in academic literature opposing these tendencies (Amalokwn & Obiajulum, 2019). In response, frameworks like the BSC were created, aiming to balance the use of performance measurements and match them to a company's long-term objectives (Kaplan, 2012). Due to their limited resources and lack of experience, most small businesses may decide to use a combination of financial and non-financial measures to assess the performance of their organizations rather than implementing framework tools like BSC (Adhikari, 2017).

No research has been carried out in Mutare on the different types of MAPs that can be adopted and utilised by SMEs, hence this study looked at the performance measurement systems as one of the MAPs that can be adopted and utilised by SMEs.

2.2.2.4 Decision support practices

The significance of decision-making within an organization is emphasized by Abdel-Kader & Luther (2018), who also noted that management accounting can be used to supply both non-financial and financial data to assist with decision-making. Decisions are divided into three categories by Garrison et al. (2020) that is financing, investing, and/or operations. The identified operational decisions were identified as product pricing, mix decision, and promotion (Gautam & Battari, 2018). Profitability is regarded as critical to every type of decision. Choosing the right amount of raw material inventories and purchasing business assets are examples of investing decisions.

The use of mathematical models and linear programming as the foundation for decision support MAPs, such as cost-volume-profit (CVP) analysis (also known as break-even analysis), profit maximization models, payback period, internal rate of return, and other decision support techniques, is another observation made by Garrison, Noreen, and Brewer (2019). CVP analysis can be used to quantify how costs affect operating profit by raising production volume. The management team can find the ideal production rate with the help of this kind of analysis. This method ignores the risks and uncertainty present in the business environment, in spite of its widespread use and ease of use (Horngren et al., 2013).

Firms must make crucial decisions about inventory and stock management in addition to complicated decisions at the production level. These decisions are vital to their operations. As a result, management accounting has produced methods and instruments for managing inventory order levels, stock production, storage, and sales. Short-term decisions can be supported by decision support systems such as Stock Control Models, Operational Cost-Volume Profit Analysis, Product Profitability Analysis, and Customer Profitability Analysis; long-term decisions can be supported by systems such as Payback Period, Accounting Rate of Return (ARR), Net Present Value (NPV), and Internal Rate of Return (IRR) in capital budgeting (Koirala & Acharya, 2020). A company may employ linear strategies, like economic order quantities, to keep inventory order levels stable while lowering storage expenses. Proper inventory management practices are positively correlated with business performance, according to Bhattarai's (2021) investigation of a small sample of Kenyan small-scale businesses.

Businesses can also utilize customer and product profitability analysis to inform their business decisions. These methods of profitability analysis entail examining the costs and revenues related to the product line. Although these ideas are essential to the ABC system, they are not required to use it (Karki, 2019). Ballada (2020) points out that although these analyses are helpful in supporting management decision-making, they are also complex, resource-intensive, and require ongoing updating.

The payback period method can help support long-term capital and investment decisions. The payback period estimates how long it will take to recoup an initial cash outlay or investment. This technique's primary benefit is how easy it is to calculate. The primary disadvantage is that other factors that influence the value of money are not considered, such as the time factor. Discounted cash flow (DCF) can be used as a countermeasure. For the average user, however, this method results in a far more complex calculation (Hilton, 2014). Emiaso & Egbunike (2018) observe that as a result, businesses that have short-term objectives like maximizing profit and sales frequently use the payback period.

The accounting rate of return is another straightforward technique for valuing investments that does not rely on DCF (ARR). The approach determines the arithmetic mean of accounting income anticipated from the project annually and computes the expected rate of return on an investment or project (Kamilah, 2017). In a similar vein, the net present value (NPV) uses the present value of a project to estimate future payments or income while accounting for the time value of money. The internal rate of return (IRR), which is derived by setting the cash flows from the NPV to zero, is an advanced method. The alternative uses of the funds are then determined using this rate. Money may be transferred to a more lucrative option if an investment yields a higher rate of return than what has been estimated (Hopper, 2019).

2.2.3 Objective 3: To explore the impact of MAPs on the performance of SMEs

2.2.3.1 Impact of costing practices on the performance of SMEs

A study on the impact of costing techniques on the profitability of businesses in Romania's embroidery sector was carried out by Darius et al. (2016). The study concluded that costing procedures had aided in the division of overall costs into fixed, variable, and semi-variable components, which reduced costs and increased profit and revenue. This result suggests a

positive correlation between costing procedures and business performance. As evidence, Kipkenei, (2022) conducted research on how control systems affect the productivity of medium-sized businesses in Kenya's Kericho town. According to the study, target costing is useful when analyzing a competitor's product to find areas where costs can be cut and improvements can be made. A study on the impact of cost management techniques on the financial performance of manufacturing companies in Kampala, Uganda, was carried out by Sewakiryanga (2018). The research findings indicate that the implementation of cost management strategies can effectively reduce expenses in the domains of product enhancement, operational procedures, marketing, administration, and finance. The importance of cost management techniques for SME businesses in China was studied by Kajal (2021). The study concluded that standard costing techniques, when used, help control costs, including salary, operating expenses, and costs associated with research and development.

Few studies in developing countries such as Zimbabwe have looked at the effects of costing systems on the performance of SMEs. Therefore, the researcher conducted a study on the use of MAPs by SMEs considering the effect of costing systems on the performance of SMEs.

2.2.3.2 Impact of the budgeting systems on the performance of SMEs

Budgetary control, according to Drury (2017), is the process of making an expenditure plan and routinely comparing actual expenditures against the plan to see if either one needs to be adjusted in order to stay on track, or if spending patterns do. To meet different financial goals and control spending, this process is required. Budgetary control is a crucial tool used by both the public and private sectors to manage spending activities within organizations (Ghomore, 2016). A budgetary control system makes use of budgets to plan and manage every facet of creating and distributing goods and services. This is accurate because, according to Horngren et al. (2013), states that to save management from embarrassment, they routinely create revenue and expenditure variance analyses to pinpoint areas of divergence. Any unfavorable variance will result in an inability to meet corporate objectives, which will ultimately cause disagreement with stakeholders.

The budget is a tool used to coordinate and harmonize the activities of an organization's various departments into a single plan (Abdullah & Thomas, 2016). In the absence of direction, managers might decide for themselves, thinking they are acting in the organization's best interests. For instance, the purchasing manager might want to place big orders to receive significant discounts, the production manager would worry about preventing excessive stock levels, and the accountant would be worried about how the choice would affect the company's cash flow. The goal of budgeting is to balance these disparities for the organization's overall benefit, not just for the benefit of any one department (Ombongi & Long, 2018). Therefore, budgeting forces managers to look at how their operations relate to other departments' operations and, in the process, find and fix conflicts (Agbenyo, Dangah & Wang, 2018).

Top management uses the budget to communicate its expectations to lower-level management so that everyone in the organization can understand them and plan their actions to meet them (Drury, 2017). Every member of the organization will have a clear understanding of their role in achieving the annual budget since budgets keep everyone fully informed of the plans, policies, and constraints that the organization is expected to inform them of (Higgins, Jones & Mc Gowan, 2019).

The budget helps managers oversee and manage the tasks that fall under their purview (Hair et al., 2018). Managers can determine which costs deviate from the original plan and thus need attention by comparing the actual results with the budgeted amounts for various categories of expenses (Ballada, 2020). Through this process, management can run an exception-based management system, focusing their attention and efforts on noteworthy departures from the desired outcomes. Managers may find inefficiencies like the procurement of inferior materials by looking into the causes of the deviations. After the causes of the inefficiencies have been identified, the situation should be corrected by implementing the necessary control measures (Smith, 2019).

Dhubea and Al-Riami (2017) claim that motivating managers to act in a way that advances organizational objectives and influencing managerial behavior can be accomplished with the help of the budget. A manager may be inspired to strive for a standard set by a budget in specific situations (Etim, 2020). Budgets, however, can also promote inefficiency and manager conflict (Alahdal, Alsamhi & Prusty 2018). When the budget is used as a tool to assist managers in

managing their departments and is actively participated in by staff members, it can be a powerful motivator by creating a sense of challenge. On the other hand, if the budget is imposed from above and is perceived as a threat rather than an opportunity, it may encounter opposition and end up doing more harm than good (Hopper, 2019).

According to Drury (2017), the budgeting process guarantees that managers make plans for future operations, consider potential changes in conditions in the upcoming year, and decide what immediate actions to take in response to those changes. This procedure minimizes rash decisions made on the spur of the moment, based more on expediency than on well-reasoned judgment, and it encourages managers to foresee issues before they arise Drury, (2017).

This study looked at the use of MAPs by SMEs considering the effects of budgeting on the performance of SMEs in Mutare. No study has been carried out in Mutare looking at the use of MAPs taking into account the effects of budgeting on the performance of SMEs

2.2.3.3 Impact of performance measurement systems on the performance of SMEs

A study by Mtar (2017) found that using a balanced scorecard (BSC) has a positive and significant impact on improving the performance of French SMEs. The use of BSCs has also been shown to significantly reduce firm turnover and increase labour productivity. Supporting Mtar (2017), Lansiluoto et al. (2019) discovered that the implementation of performance measurement systems in SMEs has a significant and favourable influence on the financial and non-financial performance of Finish SMEs, which indicates the importance of performance measurement systems adoption in SMEs. Furthermore, Guaenther and Heinicke (2019) conducted a survey of mid-sized German businesses to investigate the relationship between various applications of performance measurement systems and the ensuing advantages that organizations attain. The results of the study showed a strong and positive correlation between the advantages realized and performance measurement systems. Demartini and Trucco (2017) also discovered that the use of performance measurement systems has a direct and significant positive impact on the performance of enhanced processes in the healthcare industry, as well as a positive and significant impact on the perception of managerial discretion. Strong empirical evidence was discovered by Gomes, Mendes, and Carvalho (2017) to support the idea that both performance measurement systems have a direct and positive impact on Portuguese SMEs.

These studies on the effects of performance measurement systems were conducted in developed countries and no study of that nature was carried out in Zimbabwe, particularly in Mutare. Against this background, the researchers conducted a study the impact of MAPs on the performance of SMEs, considering the effects of performance measurement systems on the performance of SMEs in Mutare.

2.2.3.4 Impact of Decision support practices on the performance of SMEs

To determine how investment appraisal methods affected the financial performance of Kenyan manufacturing companies, Kerubo et al. (2018) carried out a study. The study's conclusions demonstrated that manufacturing companies evaluate possible investment opportunities primarily using non-discounting investment appraisal techniques, which increased their profitability. Musavi (2019) investigated the connection between the financial performance of 11 banks listed on the Nairobi Securities Exchange and capital investment appraisal methodologies. The findings showed that return on assets, a key indicator of firm performance, is highly impacted by capital appraisal methods. Kedige (2018), however, assessed the use of risk analysis and capital budgeting methodologies and their effects on business performance in the mining sector of South Africa. The study discovered no correlation between risk analysis sophistication, capital budgeting, and return on assets (ROA) a measure of a company's performance. This was supported by a study done in 2017 by Olawane et al., who assessed how investment appraisal techniques affected the profitability of SMEs in South Africa's manufacturing sector. It was determined that the profitability of small businesses in South Africa is negatively impacted by the application of crude investment appraisal techniques. In a study by Smith and Jones (2018) examined how a sample of manufacturing companies' pricing decisions were impacted by marginal costing. The findings demonstrated that businesses were more likely to set prices that covered variable costs and went toward fixed costs and profit when they used marginal costing techniques. This finding suggests that marginal costing enhances pricing decision accuracy and profitability.

An investigation into the effectiveness of marginal costing in determining production volume was conducted by Brown et al. (2019). According to the study, businesses that employed marginal costing techniques had more control over their output levels, which enhanced resource efficiency and increased overall profitability. This evidence supports the notion that marginal

costing aids in optimizing production volume decisions.

Another empirical study by Johnson and Smith (2020) examined the impact of marginal costing on product mix decisions in a sample of manufacturing companies. According to the results, businesses that used marginal costing techniques had a larger percentage of high-profit products in their product mix than businesses that did not. This implies that marginal costing helps make wise decisions about the product mix, which boosts profitability. Omri (2015) supports by stating that manufacturing SMEs can develop creative strategies to sustain the product life cycle and contribute to sustainability by implementing marginal costing.

This study looked at the use of MAPs by SMEs taking into account the impact of decision-making systems on the performance of SMEs

2.2.4 Objective 4: To establish the factors the adoption and application of MAPs in SMEs

2.2.4.1 Internal factors influencing the adoption and application of MAPs

- **Level of Education and Owners Experience**

The level of education of SMEs owners plays a crucial role in identifying the MAPs that must be adopted by an enterprise (Eugine & Misson, 2017). According to Alleney & Mashall (2018), an organization's performance is significantly influenced by the owner's educational background. Adhikari (2018) suggest that the owner must continue to learn new things through education to stay profitable and relevant in the industry. Parker (2018) emphasizes that SME owners will continue to find it difficult and challenging to adopt and use MAPs into their businesses if they do not have the appropriate level of education. According to Koirala & Acharya (2020), there is a substantial correlation between SME owners' educational attainment and their adoption and use of MAPs. In contrast, Kariwasam (2018) argued that experience plays a crucial role in the adoption and use of MAPs, and that education is not the only important factor in doing so. Sharma (2015) argued in favor of this claim, saying that SMEs must have sufficient experience to adopt and apply the appropriate MAPs to enhance business performance if they are to succeed in this diverse global environment. According to Gyawali (2017), a lack of experience on the part of the owners is the reason why many SMEs are unable to adopt and use MAPs. This study

examined the internal factors that affect MAP adoption while taking into account the level of educational.

- **Training of Staff**

SMEs must have access to resources for employee training so they can use MAPs efficiently (Koirala & Acharya, 2020). Training is necessary to improve the skills, competencies, and knowledge that SMEs' owners need in order to adopt and use MAPs (Shah & Ojha, 2016). Employee training at SMEs will boost product innovation by enabling staff to recognize gaps in the market, in addition to aiding in the adoption and use of MAPs (Sharman, 2015). Developing more competencies and enhancing business performance are two benefits of training manufacturing SMEs to effectively use MAPs (Eugine & Miston, 2017). Even though training objectives have a positive impact, there is no assurance that SMEs will successfully implement MAPs (Parker, 2018). Ballada (2020) concluded that SMEs needed training as part of their strategy in order to be competitive. This study examined the internal factors, including staff training, that influence the adoption of MAPs.

- **Size of Firm**

One crucial element in determining which MAPs SMEs need to adopt and use is the size of the company (Garrison et al., 2020). According to Maziriri & Mapuranga (2017), some MAPs can only be adopted by particular SMEs due to the size of those SMEs. In support, Ngibe & Lekhanye (2019) proposed that a firm's size is a factor that influences SMEs' adoption of particular MAPs. Compared to small businesses, large firms find it easier to adopt and use modern MAPs (Kamilah, 2017). Due to a lack of resources to support this transformation, small businesses have difficulty adopting and utilizing modern MAPs (Jariya, 2021). This research therefore took a look of the size of the firm as a factor that influence the adoption of MAPs by SMEs.

- **Age of Firm**

The majority of SMEs fail after they reach the birth phase, and this is because they don't use MAPs (Dlamini, 2022). This is because they face a number of internal and external obstacles (Dlamini, 2022). Krisnadewi (2018) proposed that a firm's age has a significant impact on the

adoption and use of MAPs. According to Etim (2020), businesses older than six that implemented MAPs experienced a significant boost in their operational efficiency. Hopper (2019) claimed SMEs fail to adopt & utilise MAPs because they are denied access to financial assistance due to the age of their businesses. According to Jariya (2019), using MAPs from the very beginning of a company's existence is the best way to ensure that SMEs survive in the future. This study looked at factors of influencing the adoption MAPs by SMEs, taking into account the age of the firm.

- **Structure of Firm**

According to Abdel-Kadeh & Luther (2018), it's critical that each SME determine the appropriate MAPs that are pertinent to their company structure. According to Garrison, Noreen, and Brewer (2019), it is easier to determine which MAPs are useful to adopt and use the simpler the structure. It is strongly advised that SMEs adopt the pertinent MAPs that are supported by the firm structures in order to ensure their survival (Chowdhary, 2016). According to Amalokwn & Obiajuhim (2019), some SMEs find it challenging to integrate MAPs into their operations because of their basic organizational structure and scarce resources. SMEs must implement MAPs that will improve opportunities if they are to become more viable and able to grow their structures (Hilton, 2014). This study looked at the factors that influence the adoption and utilisation of MAPs taking into account the structure of the firm.

2.2.4.2 External factors influencing the adoption and application of MAPs

- **Accounting Practitioners**

Accountants are professionals who offer managerial, advisory, and accounting services (Kamilah, 2017). Accounting professionals have the knowledge and abilities to support managers in achieving the goals of the company because they comprehend the nature of the various entities that depend on them for a variety of services. Most SMEs that purchase these services do so with the intention of enhancing their company's performance (Hopper, 2019). The affordability or availability of resources has a significant impact on the rate at which SMEs hire accounting professionals (Krisnadewi, 2018). Additionally, Dlamini (2021) discovered that

accounting professionals were highly regarded by a variety of businesses, usually SMEs, in Australia and the United Kingdom because they offered highly valuable advice. Due to a lack of resources, the owner must complete a task that accounting professionals could complete, which raises concerns about the reliability and accuracy of the information given (Jariya, 2021). According to Etim (2020), SMEs' owners lack both business management and accounting expertise, which leads to them misinterpreting data and impairs their ability to make decisions. Furthermore, a business owner's decisions directly affect the operation of the company, so it is imperative that they have the necessary knowledge and abilities to carry out this phase.

Business Environment

According to Smith (2019), globalization is one factor that forces SMEs to step outside of their comfort zones. By implementing updated MAPs, these businesses can survive in the environment. It is essential that SMEs comply with new environmental regulations that have an impact on business (Dlamini, 2020). Due to the fact that manufacturing SMEs are forced to manage their limited resources in a variety of ways, including through innovative planning, controlling, decision-making, risk management, and improved appraisal systems, MAPs addressing environmental issues have been introduced not only for large businesses but also for SMEs (Etim, 2020). According to Kamilah (2017), environmental factors force SMEs to adopt advanced MAPs in order to keep their competitive advantage and customer loyalty. This study therefore looked at the external factors influencing the adoption and utilisation of MAPs taking into cognisance the business environment.

- **Technology**

One of the key components of any company's competitiveness is technology, which makes production processes faster and allows for greater proficiency (Duwadi, 2018). According to Amalokwn & Obiajuhm (2019), SMEs are increasingly using technology as a tool to encourage or activate new product innovations, improve integrated or directive communication among various organizational functions, and provide flexibility. However, given that businesses must acquire or keep their competitive edge, technology is a top concern for all SMEs in this diverse global market (Sharma, 2015). According to Bhattraï's (2021) research, SMEs' low adoption rate of MAPs was caused by their inability to use technology, which kept them from taking

advantage of the low production costs. According to Koirala & Acharya (2020), one reason preventing people from embracing more recent or modern technologies is a lack of education. This indicates that when it comes to implementing modern technologies that are compliant with the applicable MAPs, developing nations are still trailing behind (Parker, 2018). Sophisticated MAPs are necessary for SMEs to enforce a higher level of technology, which will increase business turnover (Gautam & Battari, 2014). This study looked at the external factors influencing the adoption and utilisation of MAPs taking into account technology.

- **Government support**

The government and its auxiliary organizations serve as a catalyst, supplying SMEs with startup funds, cash flow injections for operations, and support for their training needs (Hopper, 2019). Governments and their supporting organizations should encourage training to increase the adoption and use of MAPs, as SMEs have been recognized as significant global GDP contributors (Dlamini, 2021). To ensure that SMEs receive enough MAPs to propel their business performance to new heights, it is critical that the government and supporting agencies help them. (Lekhanye & Ngibe, 2019). This study dissected the factors that influence the adoption of MAPs taking into account government support.

- **Competition**

The four elements of quality, delivery, low cost, and flexibility are what businesses want to be favored by clients who need them to have a stronger competitive advantage (Horngren, etal 2013). Since SMEs are crucial to a nation's economy, there are increased market pressures and competitive pressures on them to adopt the most strategic MAPs in order to maximize their business value (Kariwasam, 2018). Nonetheless, Ahmad & Ghami (2019) argue that MAPs' expertise, experience, and knowledge give SMEs a competitive advantage in the marketplace. According to Adhikari (2018), small and medium-sized enterprises (SMEs) have a big part to play in marketing in order to keep their products meeting specifications, their customers happy, and their production processes innovative. It is clear that in order for SMEs to increase their market share, they must use the newest MAPs and technology (Eugine & Miston, 2017). According to Ghomore (2016), a company's ability to compete is fueled by a variety of unique, diverse components that add up to a higher value and are wisely allocated within the constraints of the limited resources. Competition affects the adoption of relevant MAPs, which are necessary

to obtain a competitive edge, as discovered by Duwadi (2018). This study looked at the external factors affecting the adoption and utilisation of MAPs taking into account competition.

2.3 Summary

This chapter looked at the theoretical framework and empirical literature. The next section will be chapter 111 and it will look at the research philosophy, research approach, research design, study population, sample identification and selection, sampling procedure, instrumentation, instrumentation procedure, data collection procedure, ethical considerations, validity and reliability

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

Chapter II focused on the conceptual framework, theoretical framework underpinning the research study and the empirical studies done by other researchers. This chapter will present the research philosophy, research design, research population and sampling, research techniques, research ethics, validation of instruments, data collection management, data analysis, data presentation, and pilot.

3.1 Research Philosophy

This study employs the pragmatism philosophical point of view. Depending on the nature of the research question, pragmatics can incorporate both positivism and interpretivism into a single study (Beck 2015). The reason pragmatism was selected is that it provides a practical means of assessing people's beliefs and determining truths, which sets it apart from other epistemological philosophies that focus more on knowledge itself (Trochm 2017). Furthermore, pragmatism allows for objective truths while simultaneously providing knowledge and the truth without forcing it to fit into a rigid structure (Morgan 2014). The research questions of this study fall in positivism, interpretivism and pragmatism. The research questions of this study were therefore answered using empirical data and subjective opinions of the respondents.

3.2 Research approach

The study used abductive research approach which was stated by Lukka & Modell (2010) that the fundamental component of abductive research is pragmatism. The researcher opted for this approach because deductive reasoning compliments other types of reasoning, such as deductive and inductive reasoning by using multiple type of reasoning, we can arrive at a more robust and nuanced understanding of complex situation Bamberger (2019). Abductive reasoning can be used to generate hypothesis or explanations that can guide in decision making, even in the face

of uncertainty or incomplete information Conaty (2021). The deductive research approach made the researcher to test hypothesis and to understand the generalizable and specifics of the observed phenomena as far as MAPs for small to medium enterprises.

3.3 Research Design

According to Lee and Smagorinsky (2016), research design is a plan or approach for achieving research goals and providing answers to research questions. The research design used in this study was descriptive. The descriptive research design was chosen because, it permits collection of both qualitative and quantitative data, it offers comprehensive information and a comprehensive understanding of the research topic (Collins and Hussey 2014). Because the research is done in the natural environments of the respondents, it also yields high-quality data quickly and inexpensively because the sample size is typically large (Collins and Hussey 2014)

3.3.1 Survey & Case Study strategy

This research used the survey and multiple case study strategies. The survey method was chosen because it is suitable when looking at more than one entity and it is inexpensive method of gathering quantitative data that is currently available (Kamil 2015). Furthermore, because of today's online and mobile tools, surveys yield results quickly and comfortably (Hillocks 2014). Since having a researcher present can frequently result in socially desirable answers, respondents can take extra time to complete each question in the most comfortable way possible when completing surveys, encouraging more honest results (Beck 2015). Case studies were also selected because they provide substantiated information based on first hand observations of the relevant entity. Furthermore, case studies offer empirical data for analysis since the investigators examined real-time data.

3.3.2 Methodological choice

The mixed method approach was used in this investigation. To address the research questions, mixed methods research incorporates aspects of both qualitative and quantitative research. Mixed methods can help obtain a more comprehensive picture than either one alone because they combine the benefits of both quantitative and qualitative research. Wilson (2010). When using a

qualitative research approach, data manipulation is not necessary because the phenomenon can be studied in its natural environment (Baker et al., 2017). The researcher spends time getting to know the participants in this study in order to gather first-hand knowledge and experiences regarding the use of MAPs by SMEs.

Additionally, the qualitative method of data collection enables a reciprocal relationship between the participants and the researcher. This reciprocity enables the researcher to foster the participant's internal development of insights and, in turn, produce copious and comprehensive data regarding the research problem under investigation (Wilson 2010). In light of this study, the researcher conducted in-person interviews with participants in an effort to gain their insights and produce comprehensive and extensive data on SMEs' use of MAPs.

According to Saunders and Thornhill (2012), researchers in the social and natural sciences employ the quantitative approach, which is more precisely defined, explicitly controlled, and formalized in nature. The primary concerns of the quantitative paradigm are measurement validity and reliability as well as the possibility of generalization (Saunders and Thornhill 2012). In quantitative research, a set of numerical data is statistically analyzed in addition to counting and measuring events.

The capacity to arrive at more objective conclusions, the ability to state the research problem in very specific and set terms, the high levels of reliability of data gathered due to controlled observations, and the elimination or minimization of subjectivity of judgment are among the strengths of the quantitative method (Collins and Hussey 2014). However, based on the above explanation of the qualitative and quantitative approaches, it is possible to draw the conclusion that having knowledge of both approaches could be helpful in order to perform triangulation.

3.3.3 Time horizon

Time horizon defines the time frame for the research which can either be cross-sectional short-term study, involving collection of data at a specific point in time or longitudinal collection of data repeatedly over a long period of time in order to compare data (Onwuegbuze and Daniel 2015). This investigation employed cross sectional study that collects data at one specific point in time. Cross sectional study was chosen because it utilizes existing databases for efficient and inexpensive data collection (Ott 2016). In addition, cross sectional study was chosen because it can involve a very large data set that contains a lot of variables which gave the researcher an opportunity to examine how

numerous variables are related to each other and related to the primary outcome (Creswell 2013).

3.4 Data Collection Technique

3.4.1 Target Population

According to Wilson (2019), the population is the entirety of all subjects that meet a set of criteria and make up the entire group of people that the researcher is interested in and for whom the research findings can be applied. For the purpose of making this study effective, the target population was 200 SMEs in Mutare CBD. According to the Manicaland Chamber of SMEs there 200 SMEs in Mutare CBD. The retail sector was chosen because it is the one that is predominant in Mutare town.

3.4.2 Sampling procedure

The respondents were obtained through purposive, and probability random sampling. Purposive sampling and simple random sampling were employed to choose the retail SMEs where the researcher gathers information from. Purposive sampling was employed because it is a cost effective sample section method (Hollecker 2014). In addition, purposive sampling allows the researcher to collect information from the best-fit participants and hence the results are relevant to the research context (Kamil 2015). Simple random sampling was chosen as it gives the respondents an equal chance of being selected. (Beck 2015).

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3.4.3 Sample size

A sample is a portion of the population as a whole or a subset of measurements (Saunders and Thornhill 2012). It is a subset of items chosen from a specific population. It makes it possible for the researcher to comprehend the population of interest (Wilson 2018). The key concept in sampling is representativeness. In this study, the researcher used a sample of 60 respondents. This figure was determined by six prior studies which were reviewed. The major reason of reviewing past studies was to get an idea of the sample size and it was established that a sample of 60 is sufficient to conduct a survey and a multiple case study. It comprised of senior

management and the owners of the retail SMEs because they are the ones who are directly involved in the operations of SMEs and also there the ones who are highly knowledgeable.

3.4.4 Research instruments.

Research instruments are tools that are used to collect data suitable for the study under consideration (Wilson 2010). This study employed the use of questionnaires, interviews and document search. By using these instruments, triangulation was made possible, allowing the strengths of one instrument to overcome the weaknesses of the others.

- **Questionnaires**

Instead of watching and sampling people's behaviour, you can gather information about them by asking them questions via questionnaires (Collis and Hussey 2014). Researchers use questionnaires to change into information data directly given by the subject by providing access to what is in the subject's mind, the instrument makes it possible to measure what a person knows (knowledge or information), and what a person likes or dislikes (Collis and Hussey 2014). This indicates that well-crafted questions lead to well-crafted questionnaires, supporting the claim (Wilson 2010) that a questionnaire is essentially a measurement tool, an instrument for gathering particular types of data, rather than a list of questions or a form to be completed.

Since questionnaires can be completed at home or at work, they provide respondents with a sense of privacy and increased anonymity (Kamil 2015). Participants are given the freedom to answer questions at their own speed and have the option to research specifics or historical data. When the researcher is not present, respondent bias is eliminated, the process is time- and money-efficient, and it makes it easier to get truthful, accurate answers when delicate subjects are addressed (Creswell 2013). In addition to its many benefits, there are drawbacks to using the questionnaire (Wilson 2010).

A questionnaire, according to Collis and Hussey (2014), is the slowest method of gathering data. It could take around a week to start getting replies. While filling out the questionnaire, respondents are permitted to ask others.

- **Interviews**

An interview is a qualitative research method that relies on asking questions to collect data. The advantages of interviews, according to Wilson (2010), asserts that one benefit of interviews is that they yield new information that the researcher could not have foreseen or anticipated. In interviews, ambiguous questions can be clarified, and if a response is ambiguous or unclear, follow-up questions can be asked. Respondents do not need to be literate in order to use interviews. It is possible to watch and record nonverbal communication, as well as standardize the questions posed. The study included documentation such as policy documents and articles with scientific accreditation in addition to the questionnaire and interview tools. By using the documentation method, the researcher was able to examine written reports, policies, and procedures from public enterprises and consider the study's concerns.

3.4.5 Research instrument procedure.

The questionnaire for this study was self-administered. The people in the sample were given the questionnaire directly. The subjects were scheduled to meet with the researcher and research assistants on prearranged dates to complete the questionnaire. In certain cases, the subjects finished the questionnaire all at once when it was given to them as a group during a single session.

One-on-one interaction was also evident in the questionnaire completion process. The benefit of group administration was that, despite the inability to ask follow-up questions, the researcher could orally explain the goal of the study and address any queries regarding the questionnaire. This was to avoid directing respondents in answering questions. Through the use of interviews, the researcher was able to speak with respondents directly and gather information; interviewees were asked open-ended questions in order to find answers and provide hints. Face-to-face interviews lasting 20 minutes each were conducted with all of the sampled subjects using open-ended questions.

Data sources

There are two sources of data a study can use namely:

- **Primary data:** This data is gathered directly from research participants by means of questionnaires, survey, focus groups and experiments (Baker et al 2017).

- **Secondary data:** This data already exists as someone else has already collected it as a result of previous research. This information is gathered from journals, articles or books (Baker et al 2017).

This study gathered data from primary and secondary data sources to facilitate triangulation of data. In addition, primary data was used as it facilitates gathering of first-hand information and secondary data was employed to save time (Trochim 2017)

3.5 Data analysis

Content analysis was applied to the qualitative data collected from the interviews. Interview data was first transcribed, and then it was carefully read to get a general understanding of the material and consider its overall significance. After that, the data were discussed and a report was created. Excel was used to analyze the quantitative data from the questionnaires, which was then displayed as tables, charts, and graphs.

Ethical Consideration

- **Informed consent**

The participants were given a thorough explanation of the study's objectives by the researcher. She provided clarification on the study's goal, the research problem, the benefits and drawbacks both immediate and long-term of participating in it. Every time the researcher wanted to record the participants' voices during an interview or take study-related pictures, he obtained their permission. The participants were also told by the researcher that they could leave the study at any time without facing any consequences and that their participation was completely voluntary.

Assurance of Confidentiality

By preserving the respondents' anonymity, the researcher ensured confidentiality. The names of the SMEs and respondents were left out of the report. SMEs names, owners, and employees were instead represented by fictitious names or letters. The gathered data was securely stored to prevent access by unauthorized parties. Moreover, the investigator

explained to the participants that the data being collected was solely for research purposes, meaning that no respondent faced mistreatment for furnishing essential information.

3.8 Validity and Reliability of the Study

- **Validity**

According to Saunders and Thornhill (2012), validity in qualitative research is determined by the extent of triangulation, the richness, depth, and scope of the data collected by participants, as well as the researcher's objectivity. Several steps were taken in this investigation to guarantee that the researcher would produce a valid study. Initially, the investigator chose participants who possessed a wealth of knowledge regarding the subject matter being studied. As a result, the information gathered reflected the goals the researcher had set out to accomplish. Once more, the researcher triangulated the data sources and data collection techniques. In this instance, questionnaires and interviews were conducted. On the other hand, owners, and employees were included in the study. The authenticity of the data was confirmed through the triangulation of data sources and data collection techniques.

- **Reliability**

Reliability concerns in qualitative research pertain to the significance of the data gathered and the uniformity of the methodology applied by various researchers (Wilson 2010). The researcher used the following methods to guarantee reliability in this study. First, the interview questions were done in simple language that was understandable to all. Second, in order to remove any ambiguities, the researcher asked participants for additional explanation and interpretation of concepts that they did not fully understand during the data analysis process. Third, the researcher went over the study's design in detail as well as the procedures for gathering and analysing data.

3.9 Summary

This chapter presented the research philosophy, research approach, research design, study population, sample identification and selection, sampling procedure, instrumentation, instrumentation procedure, data collection procedure, ethical considerations, validity and reliability. Chapter IV will be looking at data presentation, analysis and discussion.

Commented [MN3]: Fine. Can I have a lot at our chapter one to see if we can now start chapter 2

CHAPTER IV

DATA PRESENTATION AND ANALYSIS OF THE FINDINGS

4.0 Introduction.

The previous chapter presents the research approach, research design, study population, sample identification and selection, sampling procedure, instrumentation, instrumentation procedure, data collection procedure ethical considerations. This chapter will focus on data presentation, analysis and discussion. The chapter draws on the data generated from questionnaires and face-to-face interviews and document search.

4.1 Response rate

4.1.1 Questionnaire response rate

Data was gathered by sending 60 questionnaires to owners, managers, accountants and bookkeepers of retail SMEs in Mutare CBD. The questionnaires returned fully completed were 58 representing 96.67% response rate. This was considered enough for reporting since it is above 50%. The response rate of this study is shown below:

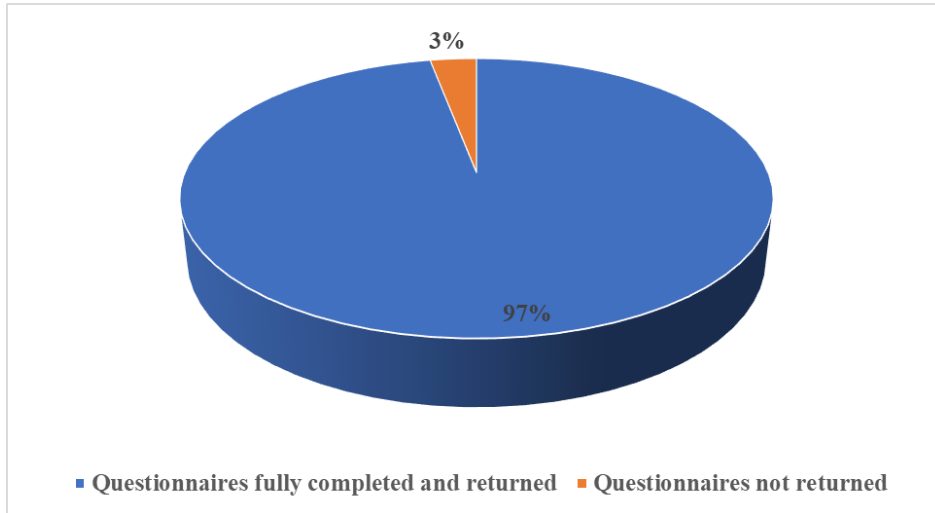


Fig 1 Questionnaire Response rate (Source: Primary data 2023)

4.1.2 Interview success rate

The researcher conducted interviews with SMEs owners, managers and the employees in the accounting department. The targeted interviewees were 30 and mainly SME owners and managers. All the targeted 30 interviewees were successfully interviewed representing 100 % response rate.

Table 1: Interview success rate

Targeted interviewees	Actual number interviewed	Percentage interviewed %
30	30	100

Source: (Primary data 2023)

4.1.3. Gender

The question on gender was aiming to establish the number of a particular sex who gave most of the responses. The results gathered are as follows:

Table 2 Gender of the respondents on Questionners

Gender	Frequency	Percentage	Valid percentage	Cumulative percentage
Females	23	40%	40%	40%
Males	35	60%	60%	100%
Totals	58	100%	100%	

Source: (Primary data 2023

The results show that 60% of the responses came from men and 40% of the responses came from women. It implies that there are more men than women in the retail SMEs sector in Mutare CBD.

Table 3 Gender of the respondents on Interviewees

Gender	Frequency	Percentage	Valid percentage	Cumulative percentage
Females	13	43%	43%	43%
Males	17	57%	57%	100%
Totals	30	100%	100%	

Source: (Primary data 2023

43 % of the interviewees were female and while 62% of the interviewees were male. This also implies that there are more men than women in the retail SMEs sector in Mutare CBD.

4.1.4 Experience in the organization

This question was designed to check the level of understanding of the events taking shape in the retail SME sector. The data is summarized is tabulated below:

Table 4 Experience of the Questionners respondents

Years of experience	Frequency	Percentage %	Valid Percentage %	Cumulative Percentage %
Less than 2 years	10	17	17	17
2 - 5 years	16	28	28	45
6 - 10 years	24	41	41	86
10 years and above	8	14	14	100
Total	58	100	100	

(Source: Primary data 2023)

The table above shows that most respondents were well experienced in the organization since those with 2 years and above are 48 out of 58 respondents representing 83%. This shows that the data obtained is reliable since it was generated from respondents who were well versed with the cost and management operations of the retail SME sector.

Table 5 Experience of the Interviewees respondents

Years of experience	Frequency	Percentage %	Valid Percentage %	Cumulative Percentage %
Less than 2 years	5	17	17	17
2 - 5 years	9	30	30	47
6 - 10 years	13	43	43	90

10 years and above	3	10	10	100
Total	30	100	100	

(Source: Primary data 2023)

Five interviewees had less than two years' work experience, nine had between two and five years' work experience, thirteen had between six and ten years' work experience, and three had ten years or more, according to the table. The majority of interviewees have between six and ten years of experience, indicating that they were seasoned professionals. Interviewees with experience helped the researcher collect in-depth data on the topic of the study. Experience is crucial because it will help one to appreciate the significance of MAPs.

4.1.5 Educational qualifications of Questioners Respondents

This question was aiming to determine the quality of responses given by the respondents

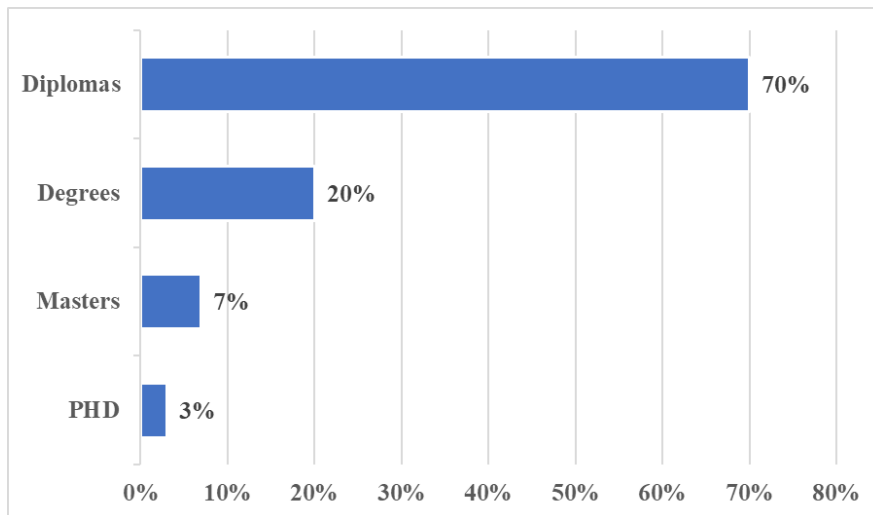


Fig 2 Educational qualifications of the questionnaire respondents.

Source: (Primary data 2023)

The above data in fig 4.3 shows that a total of 70% (40 respondents) had diplomas, 20% (12 respondents with degrees, 7% (4 respondents) with Masters and 3% (2 respondent) with PHD. This shows that data was generated from well-educated personnel and hence it was reliable.

4.1.5 Educational qualifications of Interviewees

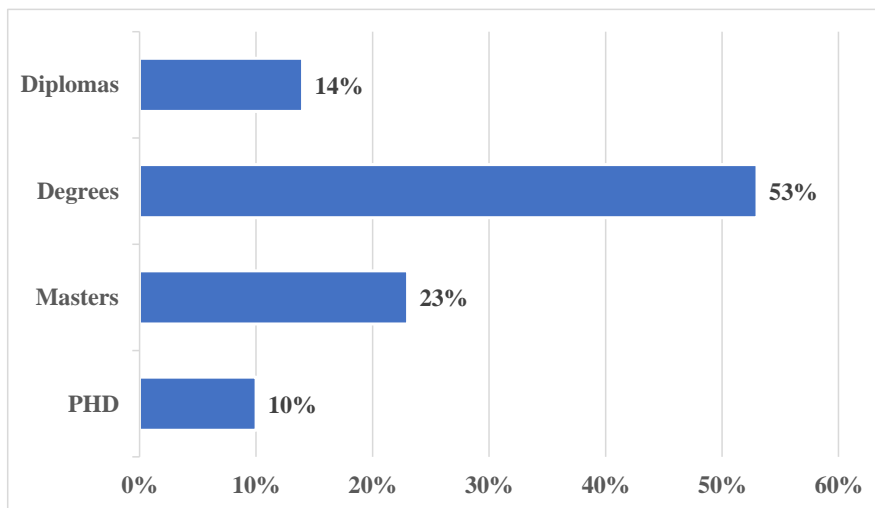


Fig 3 Educational qualifications of the interview respondents.

Source: (Primary data 2023)

According to the data presented in Figure 4.3, out of the total respondents, 44% had diplomas, 16% had degrees, 73% had master's degrees, and 33% had doctorates. The literate level of the individuals who answered the interview questions is indicated by these qualifications. This improves dependability and validity. All interviewees, in general, possessed the highest level of ordinary expected qualifications.

4.2 Presentation, analysis and interpretation of findings

4.2.1 To determine the extent to which SMEs in Mutare urban use MAPs

Table 6 The extent to which SMEs in Mutare Urban Use Maps

Variable	Responses					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Costing systems	2	3	0	1	2	
Decision support systems	3	4	0	2	1	
Performance measurement systems	7	6	0	1	2	
Budgeting systems	8	9	0	3	4	
Frequency	20	22	0	7	9	58
Percentage (%)	34%	38%	0	12%	16%	100%
Valid percentage (%)	34%	38%	0	12%	16%	100%
Cumulative percentage (%)	34%	72%	72%	84%	100%	

Source: (Primary data 2023)

Respondents were asked to rate their agreement to the use of costing, decision support, performance measurement and budgeting systems. The results gathered as shown in table (4.6) shows that 7 respondents (12%) agreed, 9 respondents strongly agreed (16%) that they used costing systems, decision support systems, performance measurement systems, and budgeting systems. On another hand, 22 respondents disagreed (38%) and 20 respondents strongly disagreed (34%) that they used costing, decision support systems, performance measurement systems and budgeting systems. An aggregate of 16 respondents out of 58 agreed (28%) that they use MAPs. From some interviews conducted, results were that, some firms use costing systems and decision support systems like the Internal rate of return and the Net Present value. Other

interviewees were indicating that they use budgeting systems. The respondents who agreed are in tandem with what has been gathered from the empirical evidence, for example, According to Ahimad & Ghani (2019), Japanese businesses employ MAPs for efficient cost control and decision-making, such as target costing, cost accounting techniques, and other performance-enhancing strategies. An aggregate of 42 (72%) respondents out of 58 disagreed that they use costing, decision support, performance measurement and budgeting systems.

The results of the questioners also concurred with the interview results, some interviewees were indicating that they are failing to adopt MAPs due to lack of resources. Most interviews indicated that they mainly use costing and decision support and rarely use performance measurement. Others were also saying that they are using their traditional accounting practices and they were anticipating to use MAPs in future. These questionnaire and interview results are in agreement with the empirical literature. For instance, Karki (2019) discovered that traditional accounting methods were still being used in Finland after conducting a study there. This was also supported by Gautan & Battari (2014), who conducted research to evaluate the types of MAPs used in the majority of Japanese businesses. They disclosed that the development of MAPs in China has been impeded by a lack of knowledge about how western MAPs function. From the above findings, the researcher concluded that most SMEs in the retail sector in Mutare are not using MAPs. The researcher also concluded that for the few SMEs which are using MAPs, there is no similarities as it was noted that some were using budgeting systems only and others decision making and costing systems.

4.2.2 To explore the different types of MAPs that should be used by SMEs
Table 7 Types Maps which should be used by SMEs in the retail sector.

Variable	Responses					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Costing systems	0	0	0	8	7	
Decision support systems	2	1	0	3	3	

Performance measurement systems	1	1	0	5	6	
Budgeting systems	1	0	0	9	11	
Frequency	4	2	0	25	27	58
Percentage (%)	7%	3%	0	43%	47%	100%
Valid percentage (%)	7%	3%	0	43%	47%	100%
Cumulative percentage (%)	7%	10%	10%	53%	100%	

Source: (Primary data 2023)

The respondents were asked to rate their agreement to the different types of MAPs which should be used by the SMEs in the retail sector. The results in table (4.7), shows that 25 respondents (43%) agreed ,27 respondents strongly agreed (47%).

A question was asked on what Maps should be adopted by SMES. Many interviewees were suggesting the use of target costing, standard costing, budgeting and capital investment appraisal. They stated that other MAPs were difficult to implement in SMEs such as ABC. Karki (2019) pointed out that businesses can also use customer and product profitability analysis to inform their business decisions. With regards to decision support services, According to Koirala & Acharya (2020), decision support systems can be used for long-term decisions like (capital budgeting) payback period, accounting rate of return (ARR), net present value (NPV) & internal rate of return (IRR) or short-term decisions like (operational) cost-volume profit analysis, stock control models, product profitability analysis, and customer profitability analysis.

With respect to performance measurement systems, Etim, (2020) argued that financial measures which are often used by firms include ratios and these ratios are useful for assessing a company's profitability, solvency risk, and overall efficiency. The idea of budgetary control systems, supported by the respondents was upheld by Adhikari, (2017), who promoted the idea of going "beyond budget" and pushed for the use of rolling forecasts, claiming that traditional budgets damage departments, are bureaucratic, too internally focused, and frequently waste a lot of an organization's time in preparation. Basing on a large pool of respondents who agreed to the use

of costing, decision support, performance measurement and budget support systems, and also supported by the empirical literature, the researcher came to the conclusion that SMEs in the retail sector should adopt and use costing, decision support, performance measurement and budget support systems as their MAPs

4.2.3 To explore the impact of MAPs on the performance of SMEs

4.2.3.1 Impact of costing practices on the performance of SMEs

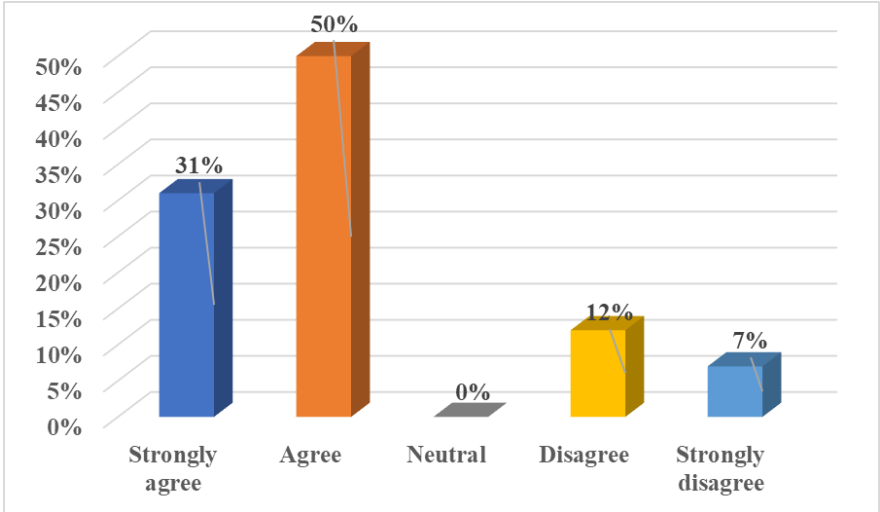


Fig 4 Impact of costing practices on the performance of SMEs

The respondents were asked to rate their agreement to the positive impact of costing practices when used by SMEs in the retail sector. The results indicated that 31% representing 18 respondents strongly agreed, 50% representing 29 respondents agreed. An aggregate of 81% representing 47 respondents were in agreement that costing practices are crucial in the operations of SMEs in the retail sector. Most interviewees highlighted the use of target costing, standard costing as quite helpful in the operations of SMEs. These results were upheld by Kajal (2021), who conducted the role of cost management strategies for SME business in China and concluded that standard costing technique if adopted assist in controlling costs that is salary, operational

cost and research and development costs. In addition, Sewakiryanga, (2018) conducted a study on the effect of cost management strategies on the financial performance of manufacturing firms in Kampala in Uganda and the study concluded that cost-management techniques aid in cutting expenses in the areas of administration, finance, marketing, operation procedures, and product development.

On another hand, 12% disagreed representing 7 respondents and 7% strongly disagreed representing 4 respondents. Few interviews stated that costing practices does not have an impact on performance. No empirical evidence has been gathered in support of this view. Accordingly basing on 81% of the respondents who were in agreement corroborated by the empirical literature, the researcher concluded that costing practices have a positive impact on the performance of SMEs in the retail sector.

4.2.3.2 Impact of the budgeting systems on the performance of SMEs

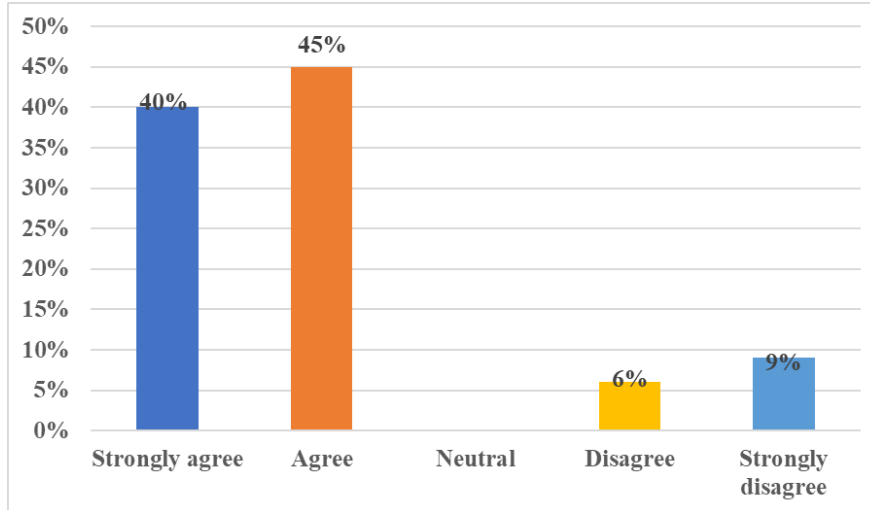


Fig 5 Impact of budgeting systems on the performance of SMEs

Source: (Primary data 2023)

Respondents were asked to rate their agreement on the positive impact of budgeting systems on the performance of SMEs. The results from the questionnaires indicated that 40% representing 23 respondents strongly agreed, 45% representing 26 respondents agree. A total of 49 (84%) respondents out of 58 were in agreement that budgeting systems are crucial in improving the performance of SMEs. Most interviewees were arguing that budgeting systems are important in terms of planning, controlling and motivation of employees. These results were upheld by Hair et al, (2018) who argued that managers can better manage and exert control over the tasks assigned to them by using budgets. Additionally, Dhubea & Al-Riami (2017) proposed that managers can be motivated to perform in accordance with the organization's objectives by using budgets as effective tools for influencing managerial behavior. Additionally, the budgeting process guarantees that managers actually make plans for future operations, take into account potential changes in the coming year's conditions, and decide what immediate action to take in response to those changes (Drury, 2017).

However, an aggregate of 16% disagreed that budgetary control systems have a positive impact on the performance of SMEs. This view was supported by Alahdal, Alsamhi & Prusty (2018), who argued that budgets have the potential to promote inefficiency and manager conflict. The researcher basing on the 84% who were in agreement and supported by responses from interviews and empirical literature, concluded that budgetary control systems have a positive impact on the performance of SMEs.

4.2.3.3 Impact of performance measurement systems on the performance of SMEs

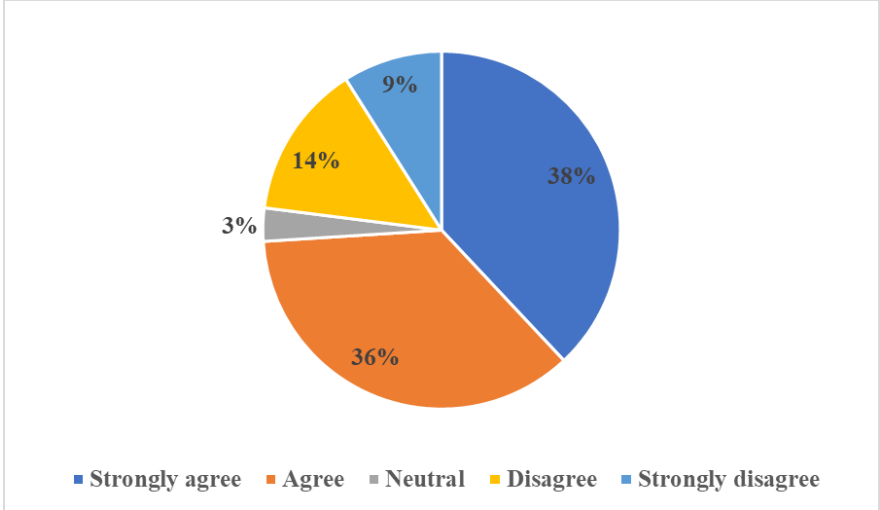


Fig 6 Impact of performance measurement system on the performance of SMEs

Source: (Primary data 2023)

The respondents were asked to rate their agreement on the statement which provides that performance measurement systems have a positive impact on the performance of SMEs in the retail sector. 36% (21) of the respondents agreed, 38% (22) respondents strongly agreed that performance measurement systems have a positive impact on the performance of SMEs.

Interviewees were arguing that performance measurement systems like profitability ratios, liquidity ratios and asset utilisation ratios are useful in the since that they are used to measure the performance of a firm in terms of profitability, solvency risk, and efficiency. These respondents

and interviewees were supported by the empirical evidence, for example, Guenther and Heinicke (2019) conducted a survey of mid-sized German businesses in order to investigate the relationship between various applications of performance measurement systems and the ensuing advantages that organizations attain. The study indicated that there is a positive and significant association between performance measurement systems and the achieved benefits. In addition, Mtar (2017), indicated that the use of balanced score cards (BSC) has greatly increased labor productivity and firm turnover, and it has a positive and significant impact on improving the performance of French SMEs.

On another hand, 3% (2) of the respondents were neutral. These respondents seemed to have been unsure of what performance measurements are. An aggregate of 22% (13) respondents were in disagreement that performance systems have a positive impact on the performance of SMEs. These were not supported by neither evidence from interviewees nor empirical evidence. The researcher therefore concluded that performance measurement systems have a positive impact on the performance of SMEs on the retail sector.

4.2.3.4 Impact of Decision support practices on the performance of SMEs

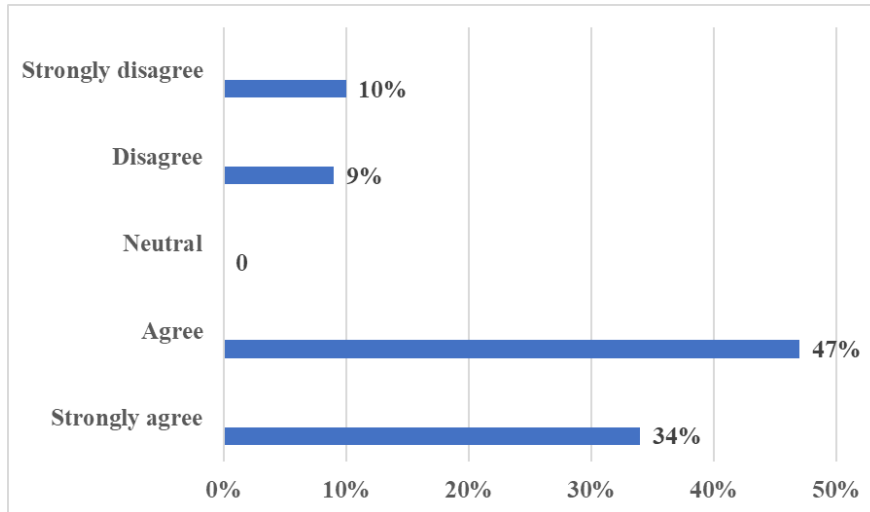


Fig 7 Impact of decision support practices on the performance of SMEs

Source: (Primary data 2023)

The question posed to the respondents was intended to rate their agreement to the assertion that decision support systems have a positive impact on the performance of SMEs. As shown on the fig above, 34% (20) of the respondents strongly agreed, 47% (27) agreed that decision support systems have a positive impact on the performance of SMEs.

Results from interviews show that decision support systems like capital budgeting techniques are crucial in evaluating the worthiness of undertaking a particular project. Kerubo et al. (2018) supported these findings in their study examining the impact of investment appraisal techniques on the financial performance of manufacturing companies in Kenya. The study's conclusions demonstrated that manufacturing companies primarily use non-discounting investment appraisal methods to evaluate possible investment opportunities, which positively impacted their profitability. Musavi (2019) looked into the connection between the financial performance of 11 banks listed on the Nairobi Securities Exchange and capital investment appraisal methodologies.

The results indicated that capital appraisal techniques significantly affect firm performance, measured by return on assets.

On another hand, a total of 19% representing 11 respondents were in disagreement that decision support systems have a positive impact on the performance of SMEs. This was corroborated by a study by Olawane et al. (2017), which assessed the impact of investment appraisal techniques on the profitability of SMEs in South Africa's manufacturing sector. The study's conclusion was that the employment of less sophisticated techniques for investment appraisal had a detrimental impact on small businesses' profitability in the country. Though the empirical literature which was in support of decision support systems was not directed to the SMEs in the retail sector, the researcher concluded that decision support systems have a positive impact on the performance of SMEs in the retail sector basing on 81% of the respondents who were in support. This presents a new discovery on the part of the researcher.

4:2:4 To establish the factors, the adoption and application of MAPs in SMEs

4:2:4:1 Internal factors influencing the adoption and application of MAPs

Table 8 Internal factors influencing the adoption and application of MAPs

Variable	Responses					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Level of education and owners expertise	1	1	0	5	4	
Training of staff	0	0	0	4	5	
Size of the firm	0	0	0	7	7	
Structure of the firm	0	0	0	5	4	
Age of the firm	2	3	0	6	7	
Frequency	2	3	0	26	27	58
Total percentage (%)	3%	5%	0%	45%	47%	100%

Valid percentage (%)	3%	5%	0%	45%	47%	100%
Cumulative percentage (%)	3%	8%	8%	53%	100%	

Source: (Primary data 2023)

The researcher wanted to know the internal factors which influence the adoption of MAPs by SMEs in the retail sector in Mutare. The researcher gave the respondents a question which had 5 variables which they were supposed to rate their agreement to. From the table above, 45% (26) respondents agreed, 47% (27) strongly agreed that the internal factors which influence the adoption of MAPs by SMEs in the retail sector include level of education and owners expertise, staff training, size of the firm, structure of the firm and age of the firm. These results were augmented by the interview results where the following points were raised:

- Use of MAPs requires personnel with the relevant education, qualification, training and experience.
- Lack of the financial muscle due to the size and age of the firm hamper the adoption of MAPs by SMEs in the retail sector.

These arguments were also gathered from the empirical literature, for example Eugene & Misson, (2017) argued that the level of education held by SMEs' owners is a significant factor in determining which MAPs an organization needs to implement. In addition, Kariwasam, (2018) contested that education is not only the major factor in adopting & utilising MAPs but sights experience as a key aspect in the adoption and utilisation of MAPs. Shah & Ojha (2016) backed the idea of training, arguing that better training is necessary to improve the skills, competencies, and knowledge that SMEs owners need to adopt and use MAPs. Ngibe & Lekhanye (2019), who hypothesized that a firm's size is a characteristic that influences the adoption of specific MAPs by SMEs, supported the idea of the firm's size. The argument that the age of the firm affects the adoption of MAPs was upheld by Hopper (2019) who claimed SMEs fail to adopt & utilise MAPs because they are denied access to financial assistance due to the age of their firms.

Because of the 91% of the respondents who were in agreement and also supported by empirical literature and interviews responses, the researcher therefore concluded that, level of education

and owner’s expertise, staff training, size of the firm, structure of the firm and age of the firm influence the adoption of MAPs.

4.2.4.3 External factors influencing the adoption and application of MAPs

Table 9 External factors influencing the adoption and application of MAPs

Variable	Responses					Total
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Fees charged by accounting practitioners	1	2	0	6	7	
Business environment	0	0	0	4	4	
Technology	2	2	0	7	5	
Government support	0	0	0	3	4	
Competition	0	0	0	5	6	
Frequency	3	4	0	25	26	290
Total percentage (%)	5%	7%	0%	43%	45%	100%
Valid percentage (%)	5%	7%	0%	43%	45%	100%
Cumulative percentage (%)	5%	13%	13%	55%	100%	

Source: (Primary data 2023)

The researcher wanted to know the views of the respondents with regards to the external factors which affect the adoption of MAPs by SMEs in the retail sector in Mutare. The respondents were given a question with 5 variables and they were expected to rate their agreement. From the table above, 43% (25) of the respondents agreed, 45% (26) of the respondents strongly agreed that fees charged by accounting practitioners, business environment, technology, government support and competition influence the adoption of MAPs. The results are in concurrence with interview

results and the empirical evidence. From the empirical literature, Dlamini (2021) discovered that accounting professionals were highly regarded by a variety of businesses, most of which were SMEs, in Australia and the United Kingdom because they offered highly valuable advice. However, due to a lack of resources, the owner ended up taking on the task that the accounting professionals could have performed, which raised concerns about the reliability and accuracy of the information given. With regard to technology, Bhattra, (2021) discovered that SMEs had a low rate of MAP adoption because they did not use technology, which kept them from taking advantage of low production costs. According to Koirala & Acharya (2020), one reason preventing people from embracing more recent or modern technologies is a lack of education. In addition, with respect to government support, Hopper, (2019) argued that government and supportive organizations serve as a catalyst by supplying SMEs with start-up capital, cash flow for operations, and support for their training needs. The notion of competition was upheld by Kariwasam, (2018) was argued that since SMEs make up a large portion of the economy of the nation, they are subject to increased market pressure and competition, which forces them to adopt the most strategic MAPs in order to maximize their business value.

The researcher, therefore came to the conclusion that the external factors which influence the adoption of MAPs by SMEs include fees charged by accounting practitioners, business environment, technology, government support and competition influence the adoption of MAPs

4.3 Chapter summary

This chapter was looking at data presentation and analysis of research findings. Chapter five will be addressing summary, conclusions and recommendations.

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Commented [MN5R4]: What of the qualitative data analysis. Pragmatism philosophy remember

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The previous chapter was focusing on data presentation, analysis and discussion. This chapter is going to focus on the summary of the study, summary of major research findings, conclusions, recommendations and recommendations for further study.

5.1 Summary of the study

This study was an analysis on the of MAPs of Small to Medium Enterprises in the retail sector in Mutare CBD. The objectives of this study were (i) To explore the extent to which SMEs in Mutare use MAPs (ii) To establish the different types of MAPs that can be used by SMEs (iii) To explore the impact of MAPs on the performance of SMEs and (iv) to establish the internal and external factors influencing the adoption and use of MAPs by SMEs. Chapter one was an introductory of the study and it contemplated on background of the study, the statement of problem, research questions, research objectives, significance of the research, delimitation of the study, limitations of the study, definition of terms and project report outline. Empirical data from different researchers both locally and globally was used as related literature in chapter 2. In addition to achieve the above stated objectives, the researcher employed the pragmatism philosophy, combining positivism and interpretivism. Abductive reasoning was the type of reasoning used. Descriptive research design was used and a survey strategy and multiple case study was employed. This research harnessed the advantages of both quantitative and qualitative data by using the mixed methods approach. This research was a cross sectional one and a sample of 60 composed of managers, owners and the accounting personnel. Questionnaires and interviews were used and primary as well secondary data was employed. Chapter four indicated that most SMEs in Mutare were not using MAPs. In addition, it was found that SMEs should go for costing, budgetary control, decision support and performance measurement systems as some of their MAPs. The factors which influence the adoption and use of these Maps were categorized as internal and external in nature. Internal factors include level of education, staff training and

the external factors were government support, technology, competition and business environment.

5.2 Summary of major findings

Below are the objectives of the study and the major findings established:

5.2.1 To determine the extent to which SMEs in Mutare urban use MAPs

Under this research objective, this study has found out most SMEs are failing to adopt MAPs due to lack of resources and understanding. Other SMEs were found to be using their traditional accounting practices and they were anticipating to use MAPs in future. For the few SMEs which were using MAPs, the researcher discovered that there is were no similarities as some SMEs were using budgeting systems only and others decision making systems like Net Present Value and costing systems for instance.

5.2.2 To explore the different types of MAPs that should be used by SMEs

In connection with this research objective, this study found out that that decision support systems to be used can be Short-term or long term in nature. Cost-volume profit analysis, stock control systems, product profitability analysis, and customer profitability analysis are examples of short-term decisions. Capital budgeting involves long-term decisions such as internal rate of return, payback period, accounting rate of return, and net present value. It was also discovered that SMEs should make use of ratios, which can be used to assess a company's efficiency, profitability, and solvency risk. Target costing, product costing, standard costing was some of the costing systems that were found in this research to be used by SMEs in the retail sector. Budgetary control systems were also recommended to be used by SMEs

5.2.3 To explore the impact of MAPs on the performance of SMEs

With regards to this research objective, this study established that standard costing technique assist in controlling costs that is salary, operational cost and research and development costs. In addition, it was found that Cost management systems aid in cost reduction in the areas of administration, finance, marketing, operation procedures, and product improvement. It was also noted that budgetary control systems can be effective tools for influencing managerial behaviour

and inspiring managers to operate in accordance with organizational goals. Moreover, the budgeting control systems ensures that managers do plan for future operations. With regards to performance measurement systems, it was revealed that profitability, liquidity, and asset utilisation ratios are valuable metrics for assessing a company's performance in relation to profitability, solvency risk, and efficiency. Balanced Score card can significantly improve both labour productivity and the firm turnover. It was also established that decision support systems like the capital investment appraisal is useful in determining the worthiness of any investment.

5.2.4 To establish the factors influencing the adoption and application of MAPs by SMEs

With respect to this research objective, the factors were found to external and internal. For internal factors, it was found that education and experience are key aspects in the adoption and utilisation of MAPs. In addition, it was found that for SMEs owners to adopt and use MAPs, it is necessary to enhance the acquisition of skills, competencies, and knowledge through training. Lack of the financial muscle due to the size and age of the firm hamper the adoption of MAPs by SMEs in the retail sector. On the other hand, for external factors, it was found that because they did not use technology, SMEs had a low adoption rate of MAPs and were unable to take advantage of low production costs. In addition, it was found that government and supporting agencies act as speeding up instruments that provides financial help in the form capital, cash flow injection for business operation and supports the training needs for SMEs. Competition and the business environment were also found to other external factors affecting the adoption and use of MAPs by SMEs.

5.3 Conclusions

The research was a success since all the objectives were achieved. It was concluded that most SMEs in the retail sector in Mutare Urban were not using MAPs. For the few SMEs which were using MAPs there was no similarities in terms of the MAPs that they were using for example some firms were using investment appraisal and others were making use of costing systems. In addition, it was concluded that SMEs in the retail sector should use costing, budgetary control, performance measurement and decision-making systems. Furthermore, the researcher came to the conclusion that costing, budgetary control, performance measurement and decision are of paramount importance in improving the performance of SMEs in the retail sector. Lastly it was

concluded that the internal factors that influence the adoption of MAPs, are level of education of owners and employees, training of the staff, size of the firm, structure and age of the firm. The external factors were found to be competition, technology, business environment, government support and accounting fees charged by accounting practitioners.

5.4 Recommendations

Basing on the research findings and conclusions made, it is suggested that the following recommendations be adopted:

5.4.1 General recommendations

- SMEs should employ the use of costing, decision support, budgetary and performance measurement systems as some of the MAPs in their business operations.
- SME owners and employees should further their education in the area of cost and management accounting through training.
- SME owners and managers should create an organisational structure that is compatible with the adoption and application of MAPs

5.4.2 Recommendations to policy makers

- The government of Zimbabwe should provide financial assistance to the SMEs so that they will be able to go for training and hire the services of the specialists where necessary.
- The Zimbabwe Small to Medium Enterprises Development Corporation should have the resource personnel knowledgeable in accounting who should have the mandate to provide free training to SMEs on the use of MAPs.
- ZIMRA should exempt small enterprises so that they can enough financial muscle to grow.

5.4.3 Recommendations for further study

The research was confined to SMEs in Mutare Urban in the retail sector. To generalise the results, it is recommended that further researches should focus on SMEs in more than urban area

and also to consider SMEs in other sectors like manufacturing, construction, mining and agriculture.

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APPENDIX 1: RESEARCH QUESTIONNAIRE AND INTERVIEW COVER LETTER

Great Zimbabwe University
Munhumutapa School of Commerce
Department of Accounting and Information Systems
Box 1235
Masvingo

21 September 2023

Dear Sir/Madam

RE: RESEARCH STUDY QUESTIONNAIRE AND INTERVIEW

I am a final year student studying Masters of Commerce Degree in Accounting and Corporate Governance/ GRAD ICOSA with the Great Zimbabwe University. I am currently carrying out research titled; *“An analysis of management accounting practices (MAPs) of Small to Medium Enterprises. `` A case of SMEs in Mutare.*

You are one of my main respondents who have been selected to assist with data for this research. You are therefore kindly requested to contribute to the study by responding to questions contained in the questionnaire below.

Please kindly note that you are **not** required to indicate your personal details. The information acquired will also be kept confidential. The research is strictly academic and information provided will only be used for this research project.

If you need any clarification regarding the questions, do not hesitate to contact me on the details below.

Your assistance in this matter will be greatly appreciated.

Yours Faithfully

Name	MHLANGA CAROLINE
Student Registration Number	M222842
Cell	0774708179

Email

carol.mhlanga20@gmail.com

APPENDIX 2: QUESTIONNAIRE

General information and instructions:

- You are kindly requested to provide the most suitable response on the spaces provided and to answer all questions. This questionnaire has part A to E as outlined below:

PART A: Demographic information

PART B: To determine the extent to which SMEs in Mutare use MAPs

PART C: To determine the different types of MAPs that should be used by SMEs

PART D: To explore the impact of MAPs on the performance of SMEs

PART E: To establish the factors that influence the application of MAPs by SMEs

Questionnaire Number.....

Date.....

PART A DEMOGRAPHIC INFORMATION

Gender.....

Years of experience in the organization.....

Educational qualifications.....

PART B: To determine the extent to which SMEs use MAPs in Mutare

Rate your agreement to the use of the following MAPs by SMEs

Number	1	2	3	4	5
Description					
Costing systems					
Decision making support systems					
Performance measurement systems					
Budgeting systems					

Key: 1- not sure, 2- agree, 3- strongly agree, 4- disagree, 5 strongly disagree

Any other response, specify.....

PART C: To explore the different types of MAPs that should be used by SMEs

Rate your agreement to the following types of MAPs that should be used by SMEs

Number	1	2	3	4	5
Indicators					
Costing practices					
Budgeting support practices					
Performance measurement systems					
Decision support systems					

Key: 1- not sure, 2- agree, 3- strongly agree, 4- disagree, 5 strongly disagree

Any other response, specify.....

PART D: To explore the impact of MAPs on the performance of SMEs

Rate your agreement to the following effects of MAPs on the performance of SMEs

Number	1	2	3	4	5
Costing practices help to segregate total cost into fixed, variable and semi variable components that leads to reduce cost and increase profit and revenue.					
Budgeting assists in managing and controlling, planning, motivation, communication					
Balance score card improves the performance of SMEs					
Capital budgeting and Marginal costing are essential in decision making					

Key 1- Not sure, 2- agree, 3- strongly agree, 4- disagree, 5-strongly disagree

PART E: To establish the factors that influence the application of MAPs by SMEs

Number	1	2	3	4	5
Internal factors					
Level of education and owners experience					
Training					
External factors					
Technology					
Affordability of services of accounting practitioners					

Key 1- Not sure, 2- agree, 3- strongly agree, 4- disagree, 5-strongly disagree

Any other response, specify.....

Designation of the respondent.....

Thank you for taking time to complete the questionnaire

APPENDIX 3: INTERVIEW GUIDE

Objective 1: To determine the extent to which SMEs use MAPs in Mutare

Questions:

1. To what extent do SMEs use costing practices?
2. To what extent do SMEs use decision support systems?
3. How far do SMEs use performance measurement systems?

Objective 2: To explore the different types of MAPs that should be employed by SMEs

Questions:

4. What MAPs should be adopted and utilized by SMEs?

Objective 3: To explore the impact of MAPs on the performance of SMEs

5. What is the effect of costing practices on the performance of SMEs?
6. What is the impact of budgeting on the performance of SMEs?
7. What is the effect of performance measurement systems on the performance of SMEs?
8. What is the effect of capital budgeting and marginal costing on the performance of SMEs?

Objective 4: To determine the factors that influence the application of MAPs by SMEs

Questions:

9. What are the internal factors that influence the adoption and application of MAPs by SMEs?
10. What are the external factors that influence the adoption and application of MAPs by SMEs?

Thank you very much for your cooperation and time.