



# Strategic Management Accounting Practice as a Mediating Role between Strategy Formation Capability and Value Creation

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The purpose of this paper is to investigate the effectiveness of strategic management accounting practices (SMA) in enhancing the relationship between strategy formation capability and value creation in Malaysian Government Linked Companies (GLCs). At present, studies that emphasise the role of SMA practices in stimulating value creation is not widely obtainable. By using structural equation modelling and data collected from a sample of 215 questionnaires, the findings revealed that strategic management accounting practices play a significant role in mediating the relationship between strategy formation capability and value creation. This research extends the growing body of literature about SMA practices, value creation and strategy formation capability. The results will pave the way towards enhancing the understanding of successful SMA practices in Malaysian GLCs, which provides evidence on how to significantly improve value creation through the adoption of SMA techniques that improve competitiveness in the industry, business sustainability, and secure long-term performance.

**Key words:** *Strategic management accounting, value creation, strategy formation capability, government linked companies, dynamic capabilities.*