

## **The Effect of Environmental Uncertainty and Competitive Strategy on Strategic Management Accounting and Organizational Performance**

A. M. Inun Jariya

*Department of Accountancy and Finance, Faculty of Management and Commerce,  
South Eastern University of Sri Lanka*

*jariyaam@seu.ac.lk*

### **ABSTRACT**

**Purpose:** The aim of this study is to examine the casual relationship among strategic management accounting, environmental uncertainty, competitive strategy, and organizational performance of listed companies in Sri Lanka.

**Design/methodology/approach:** Using a qualitative research approach data were gathered from 180 respondents, including operational managers, chief financial officers, senior accountants of diverse sectors in Sri Lanka. The proposed hypotheses were tested using the partial least squares structural equation model (SEM).

**Finding:** The results of the study emphasize the strong relationship between the use of strategic management accounting and organizational performance. Further, the results evidence the moderating role of environmental uncertainty and competitive strategy on the relationship between the use of strategic management accounting and organizational performance.

**Practical implication:** The finding provides valuable insight for organizations aiming to improve strategic responses and optimize performance in indeterminate environment.

**Originality value:** This study explores how strategic choices and different level of environmental uncertainty configurate the use of strategic management accounting and its efficacy in enhancing organizational performance.

**Keywords:** *Environmental Uncertainty, Competitive Strategy, Strategic Management Accounting, Organizational Performance*