MANAGERIAL ACCOUNTING SYSTEM BETWEEN CORPORATE GOVERNANCE AND KNOWLEDGE MANAGEMENT

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ABSTRACT

Purposes: Managerial accounting systems affect the management of knowledge in business, but they are determined by corporate governance. Therefore, they likely mediate the link between corporate governance and knowledge management, which has been before ignored. The current work attempts to investigate the mediation of managerial accounting systems in transmitting the influence of corporate governance on management of knowledge in business.

Methods: The research data was collected from enterprises selected on Vietnam’s major stock exchanges. The collected data was checked for reliability with the techniques of reliability analysis and exploratory factor analysis. The linkages among managerial accounting systems, corporate governance and the management of knowledge in business were tested by linear regression analyses. Lastly, mediating analyses were applied to investigate the mediation of managerial accounting systems in transmitting the impact of corporate governance on the management of knowledge in business.

Results: The empirical findings reveal that, the adoption of managerial accounting systems in business is a predecessor of knowledge management in business, but it is in turn decided by corporate governance. The mediation of managerial accounting systems between the influence of corporate governance on the management of knowledge in business is also statistically supported.

Implications: The empirical findings suggest that executive directors would decide on suitable systems of managerial accounting in business and the appropriate adopting level of knowledge management in business in accordance with the existing corporate governance, which could result in the best organizational performance.

Keywords: corporate governance, knowledge management, managerial accounting

JEL classification: D83, G34, M41, O16

Paper type: Research article


INTRODUCTION

The core purpose of managerial accounting is to help executive directors in professionally undertaking their tasks: arrangement, establishing, guiding, and monitoring. Managerial accounting is an important part of the economic and financial managerial system; therefore, in order for accounting to fully promote their functions of informing and inspecting to serve managers, each firm need to build complete managerial accounting systems for itself (Chenhall & Langfield-Smith, 1998); where, managerial accounting systems specialize in processing and providing accounting information to serve the performance of managers’ functions such as planning, organization, checking and decision making. This contributes to overcoming shortcomings,
backlogs, and implementing innovations in production and business in order to control the market, which ultimately improves the efficiency of production and business activities. Managerial accounting systems adopt procedures related to managerial accounting and works across all of the units in business. With the important role and function of managerial accounting systems, it is necessary for the firms to have a full awareness of managerial accounting systems and have a plan to apply these tools in business management (Phung Le Thuy, 2013).

The application of managerial accounting systems in enterprises, however, depends on business conditions of enterprises; of which, the corporate governance structure is a very important factor affecting the level of managerial accounting system application in enterprises (Wang & Huynh, 2014). According to Nham Phong Tuan and Nguyen Anh Tuan (2013), corporate governance is becoming a hot topic in discussions among government agencies and departments, especially when the Government is committed to promoting the acquisition process. An important factor to enhance the competitiveness of enterprises is financial transparency and the accountability of effective management principles. Moreover, corporate governance is also considered as a long-term catalyst to change the business mindset of Vietnamese people, thereby better meeting the requirements of foreign investors and the global economy. In addition, a study by Huynh (2015) suggested and proved that, there is a very complex interrelationship between corporate governance and managerial accounting systems, in which corporate governance is the first factor determining the level of application of managerial accounting systems in enterprises. Furthermore, Sori (2009) analyzed the acceptance of managerial accounting systems and their contribution to the management of knowledge in business. The research result indicated the acceptance of managerial accounting systems could augment the role of accounting within an organization that so enlarges the value of information. This will make significant usage of implicit and clear knowledge to allow organizations to make operative business decisions. Overall, managerial accounting systems work as an intermediate factor in transmitting the effect of corporate governance on knowledge management via itself.

In Vietnam, managerial accounting is still quite new, specifically managerial accounting has just appeared in Vietnam, starting when the Law on Accounting introduced the concept of managerial accounting, although it has appeared long ago in developed countries (Doan et al. 2011). Through the actual research and survey of a number of enterprises in Vietnam today, managerial accounting has initially received the attention of business leaders, however, it can be seen that there are still specific shortcomings that hinder the firm from adopting managerial accounting systems in business (Phung Le Thuy, 2013). On the other hand, Sulaiman et al. (2004) emphasized that, there is still a lack of empirical research on managerial accounting systems in developing economies of Southeast Asia, including Vietnam, and that there is necessary to have more studies on the implementation of the above mentioned managerial accounting systems in business. Besides, Doan et al. (2011) said that the number of studies on managerial accounting systems in Vietnam is very modest, and suggested that scholars should conduct more research on managerial accounting systems in this country, especially studies on the relationship between corporate governance, managerial accounting systems and the
management of knowledge. Across various research of corporate governance, Carpenter et al. (2010) emphasized that there is little theoretical or empirical investigation which has been offered. From a viewpoint of knowledge management, Carpenter et al. (2010) indicated that this omission is very significant.

In addition, previous studies asserted that there is no sole and general managerial accounting system for all firms, because this is dependent on factors of business environment. However, there has been a lack of empirical evidence research on managerial accounting systems in developing nations (Ghasemi et al., 2016). In Vietnam so far, however, there seems to be no research on the role of corporate governance in the level of managerial accounting system application and the management of knowledge in business. More importantly, no research on the mediation of managerial accounting systems in the research model has been undertaken. Consequently, studying the role of managerial accounting systems between corporate governance and the management of knowledge in business is very meaningful for enterprises in Vietnam.

**CORPORATE GOVERNANCE ON KNOWLEDGE MANAGEMENT VIA MANAGERIAL ACCOUNTING SYSTEM**

Mayer (1997) referred to corporate governance as methods of taking the benefits of stakeholders and executives into line as well as confirming, corporations are operated for the interests of shareholders. Corporate governance is regularly focused on the configuration and purpose of administrative boards. According to Cadbury (1992), corporate governance is viewed as an observing instrument to diminish the agency costs as a result of the difference in ownership with management, and thus increase corporate effectiveness. Cassell (2012) assessed the corporate governance structure on the composition of administrative boards, and on the role of the chairperson of administrative boards.

Salvato and Melin (2008) confirmed decentralization of administration to independent executives who had excellent professional qualifications and good work experience will increase the level of formality of documents used in the enterprise. Independent directors are often required to report periodically and extraordinarily to the Board of Directors and major Shareholders. Therefore, they must apply standard management tools to effectively control business activities of enterprises (Cromie et al. 1995). On the other hand, Christine et al. (2011) conducted a research on corporate governance and managerial accounting systems and suggested that it is necessary to set up a single division to be responsible for managerial accounting systems in enterprises in which formal managerial accounting systems are applied. Their research results also showed that the professional level of independent directors has a relation with the level of application of complex managerial accounting systems. In addition, Agrawal and Chadha (2005) found evidence of the ability to edit financial accounting statements in enterprises where the members of the board of directors and the supervisory board as the majority of independent experts was lower than that of other enterprises. This evidence is consistent with the argument that independent directors tend to use formal managerial accounting systems which produce more truthful financial statements. Moreover, the fact that the chairperson of the managerial board concurrently holds the position of the general director has a vital role in influencing the acceptance of
managerial accounting systems. The abovementioned arguments lead to the proposition that corporate governance likely controls the adoption of managerial accounting systems in business. Moreover, Sam et al. (2012) elicited the separation of chairmen plays a vital role in making business decisions on the acceptance of managerial accounting systems and recommended a tie between the implementation of managerial accounting systems and the role of chairmen.

Managerial accounting systems are instruments designed to deliver both financial and non-financial information to enterprises (Ajibolade et al. 2010). This information will help managers make more accurate business decisions. According to Kaplan (1983), managerial accounting systems are considered as part of the corporate management system. Their role is to provide suitable information for managerial planning and control to augment organizational performance. A study by Lucas (1997) suggested that managerial accounting systems are very useful tools to provide accurate and complete information for business planning and management in the highly dynamic environment today. Based on the above authors’ point of view, this research determines the level of application of managerial accounting systems in enterprises, the extent to which enterprises choose and implement managerial accounting systems in their businesses. On the other hand, Mayer (1997) defined corporate governance as the mechanisms and regulations through which enterprises are operated and controlled. According to Cadbury (1992), corporate governance indicates the rights and responsibilities among various members of the enterprise, including shareholders, boards of directors and other stakeholders.

In addition, the characteristics of corporate governance are found to have effects on strategic management accounting in two aspects, which are participation and use (Arunruangsirilert & Chonglerttham, 2017). Following this viewpoint, Honggowati et al. (2017) studied the impact of corporate governance on strategic management accounting, indicating that board size and managerial ownership impose effects on the disclosure of strategic management accounting; whereas the percentage of independent board does not affect. Likewise, Honggowati et al. (2020) analyzed the importance of the boards to the extent of strategic management accounting. The findings indicated that the characteristics of boards impose an influence on the extent of strategic management accounting. In regard to the linkage corporate governance, and management accounting, van der Poll and Mthiyane (2018) investigated the interrelationship between corporate governance and management accounting in business, indicating a significant positive mutuality between corporate governance and management accounting.

Chaudhary (2021) found out the association between knowledge management and human resource; whereas, Zhernov and Strelnikov (2021) tried to determine the likelihood and extents of adoption of the perception of performativity and speech act theory in the management of knowledge for its humanization and socialization. Furthermore, Dodla and Jones (2023) asserted that, the adoption of knowledge management in business can help determine how a firm manages knowledge, and recommended that, knowledge management practices are important for safeguarding and continuing firm performance.

In addition, Klein and Prusak (1994) referred to the intellectual capital as valuable knowledge; whereas,
other scholars (Sullivan, 2000; Kok, 2007) indicated intellectual capital creates knowledge. Henceforward, the bond between managerial accounting systems and management of knowledge may be considered correspondingly to the tie between managerial accounting systems and the intellectual capital (Reinhardt et al., 2001; Serenko & Bontis, 2022). Likewise, Tayles et al. (2002) examined the bond between the management of intellectual capital and the adoption of managerial accounting systems in business, suggesting the acceptance of managerial accounting systems in business will support management of intellectual capital. In addition, Cleary (2009) investigated the association between management accounting and structural capital, revealing that organizations accept management accounting practices in business to equip themselves with the suitable information vital for the management of intellectual capital in business; whereas, Novaset al. (2017) stressed the importance of management accounting practices in creating and developing intellectual capital in business. Furthermore, Zandi et al. (2019) analyzed the effect of knowledge transfer as a component of knowledge management and environmental performance, highlighting the influence of environmental management accounting in the research model, and confirming that knowledge transfer is positively affected by environmental management accounting practices in business.

Concerning the bond between accounting information and management of knowledge, Sori (2009) attempted to analyze the adoption of accounting information systems and their contribution to the management of knowledge in business, unveiling that the adoption of accounting information systems could enhance the roles of accounting in running organizations and boost the value of information. Automatic accounting information systems could improve the making procedure of financial statements and handle human weaknesses in processing data. Accounting information systems make substantial usage of implicit and clear knowledge to allow organizations to deliver operative business decisions. Similarly, Ahmad and Al-Shbiel (2019) emphasized the importance of knowledge management in increasing organizational efficiency, but knowledge management is driven by adoption of accounting information practices in business. Furthermore, Novas et al. (2012) studied the influence of managerial accounting systems on the implementation of intellectual capital, concentrating on the vital role of managerial accounting systems in growing intellectual capital. The research results indicate managerial accounting systems positively affect the application of intellectual capital or the management of knowledge in business.

Back to 1995, Birkett underlined a change in systems of managerial accounting during the last few years. Conventionally, stress on managerial accounting has been on the information of accounting. Accounting data which managerial accountants used is to assist in planning and management. Conventional systems of managerial accounting have been called into question. Businesses have started to incorporate providers as well as clientele into the organization’s business decisions. Consequently, the connection of managerial accounting systems with the management of knowledge in business ought to be developed. It can then recommend that the acceptance of managerial accounting systems could affect the implementation of knowledge management.

In addition, a study by Foss (2007) offers us the opportunity to investigate a likely set of procedures linking corporate governance with the management of knowledge in business. Based on Carpenter et al. (2010), a few
studies have connected corporate governance with promising results, but the overall findings are mixed. One possible explanation for these ambiguous results is that there have been few previous studies of corporate governance on the linkage between governance practices and an organization’s capability to manage the creation and transfer of knowledge. If the ability to efficiently manage knowledge is deemed as an important cause of organizational performance and adaptability, then it is similarly vital to offer attention to the behavioural reinforcements of operative management of knowledge found in governance mechanisms (Eisenhardt and Martin, 2000; Grant, 1996). Following Foss (2007), Carpenter et al. (2010) classified few mechanisms which connect governance practices and the management of knowledge in business.

Likewise, Jen et al. (2020) disclosed that knowledge sharing as an element of knowledge management works as a mediator between corporate governance practices and supply chain performance. The findings clarified the importance of corporate governance mechanisms in the research model. Karyatun et al. (2023) evaluated the best model for corporate governance and knowledge management in augmenting effectiveness; while, Alabdullah and Mohamed (2023) examined the effect of corporate governance practices on capital structure with a concentration on knowledge management. For the linkage between corporate governance and intellectual capital, Achim et al. (2023) studied the impact of corporate governance on intellectual capital as a component of knowledge management, demonstrating that there is a positive linkage between corporate governance and intellectual capital. The results suggest that good corporate governance mechanisms and intellectual capital could improve organizational performance.

Overall, the adoption of managerial accounting systems in business is a driving force of adopting knowledge management in business, but it is a consequence of corporate governance; whereas corporate governance mechanisms also augment the adoption of knowledge management in business. Therefore, it can suggest the linkage between corporate governance and the application of knowledge management in business can be mediated by the implementation of managerial accounting systems in business.

**METHODOLOGY**

**Data Collection**
The data used in the current research were primary data collected from a questionnaire survey. From Hoang Trong and Chu Nguyen Mong Ngoc (2008), with a reliability of 95% and a statistical error of 5%, the sample size is supposed to be 385. From the above results, the sample size was 385 observations. In order to ensure that the number of survey sheets collected is fully met with the necessary information for the research and has a sufficient sample size, however, this research conducted a survey of 500 enterprises. Enterprises were selected by random sampling method among companies listed on 3 major stock exchanges of Vietnam. Finally, only 423 collected survey sheets met the information requirements for analyses in this research.

**Measurements**
Corporate Governance (CGO) is computed on the proportion of independent directors (CGO1) and the
separation of chairman positions (CGO2). That are adapted from (Cassell 2012). The majority of independent directors takes 1 if the percentage of independent executives is more than 50%, otherwise as 0. The separation of chairman positions takes 1 if the positions of chairman and chief executive officer are separate, otherwise as 0. Managerial accounting system (MAA) is estimated with a five-point scale. This is modified from Cinquini et al. (2008). MAA is composed of six items. MAA1 is traditional budgeting, MAA2 is cost volume profit analysis, MAA3 is activity based costing, MAA4 is total quality management, MAA5 is variance analysis, and MAA6 is balanced scorecard. That is adapted from the prior research (Lucas 1997; Al-Omiri & Drury 2007). Knowledge management (KNM) is calculated with a five-point scale on five items, which is adapted from Lin and Lee (2005). KNM1 is the distribution of knowledge among managers and juniors. KNM2 is the distribution of knowledge among coworkers. KNM3 is the distribution of knowledge across the divisions. KNM4 is the successful monitoring of various sources and forms of knowledge. KNM5 is applying knowledge in everyday task.

**Analytic techniques**

The research model analyzed the associations among corporate governance, management accounting, and management of knowledge. In which, the factor of corporate governance structure includes two observed items, the factor of managerial accounting application is composed of six observed items, and the factor of knowledge management consists of five observed items. The information for these observed items was collected from enterprises selected on three major stock exchanges of Vietnam. After that, the collected data was analyzed using SPSS 18 software. First, the data was checked for reliability with the techniques of reliability analysis and exploratory factor analysis. Reliability analysis is a statistical technique used to statistically analyze the appropriateness of observed items representing the key variables they constitute. Meanwhile, exploratory factor analysis is performed to check the suitability between the key factors/variables. Then, the hypotheses in the research model were tested by linear regression analysis techniques. These analyses are used to check the suitability of regression model and statistical hypotheses that are supported or rejected by the collected data set. Finally, mediating analyses were applied to scrutinize the transmitting role of managerial accounting systems in the effect of corporate governance on knowledge management.

**RESEARCH RESULTS**

Reliability analysis technique is used to statistically analyze the suitability of observed items that represent the main variable they constitute. The outcomes of the reliability analysis are exhibited in Table 1. The figures from Table 1 show that the correlation coefficients of the observed items in the scale are all greater than the 0.5 value. This proves that observed items of a scale are similar (Hair, 2011). In addition, the Cronbach's alpha results show that the components of the scale have high and good reliability coefficient which is greater than 0.7 (Hair, 2011). All 9 observed items meet the reliability requirements, so all of them are included in exploratory factor analysis to check the suitability among the main factors/variables. The results of the
The results from Table 2 show that the exploratory factor analyses have grouped the observed items into two main factors, consistent with the original theoretical framework. Specifically, the managerial accounting factor is formed from six eleven observed items have factor coefficients greater than 0.5, which satisfies the convergence of each factor (Hair, 2011).

Besides, the difference between the factor coefficient of an observed item with the main factor and the remaining factors is greater than 0.3, which satisfies the divergence among factors (Hair, 2011). The common coefficients of all observed items are all greater than 0.5; so, they all satisfy the conditions of exploratory factor analysis (Hair, 2011). The Pvalue is 0.000, less than 1% and the KMO coefficient is 0.829, greater than 0.7, proving that the exploratory factor analysis for the research data set is suitable and reaches the statistically significant level of 1%.
All of the abovementioned criteria show that the data set used for this research satisfies the required level of reliability. After the data set used for this research satisfied the level of reliability according to statistical requirements, they continued to be analyzed by linear regression analyses to test the hypotheses in the research model. The linear regression analyses produced the results as described in Tables 3 & 4.

### Table 3. Regression analysis

<table>
<thead>
<tr>
<th></th>
<th>β</th>
<th>S.E.</th>
<th>t</th>
<th>Pt</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.842</td>
<td>.059</td>
<td>47.970</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>GCO1</td>
<td>.473</td>
<td>.087</td>
<td>5.459</td>
<td>.000</td>
<td>1.480</td>
</tr>
<tr>
<td>GCO2</td>
<td>.179</td>
<td>.087</td>
<td>2.047</td>
<td>.041</td>
<td>1.480</td>
</tr>
<tr>
<td>Durbin-Watson</td>
<td>1.888</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>χ²/Pr²</td>
<td>.631</td>
<td>.374</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>.174</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F/PrF</td>
<td>34.561</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Dependent Variable: MAA

The linear regression results presented in Tables 3 & 4 showed that the determination coefficients of $R^2$ are equal to 0.174 and 0.081, which means that the corporate governance elements of CGO1 and CGO2 explain 17.4% of the variation in managerial accounting variable that in turn explain 8.1% of the variation in the knowledge management variable.

### Table 4. Regression analysis

<table>
<thead>
<tr>
<th></th>
<th>β</th>
<th>S.E.</th>
<th>t</th>
<th>Pt</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.493</td>
<td>.173</td>
<td>20.162</td>
<td>.000</td>
<td>1.000</td>
</tr>
<tr>
<td>MAA</td>
<td>.281</td>
<td>.052</td>
<td>5.360</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Durbin-Watson</td>
<td>1.891</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>χ²/Pr²</td>
<td>.422</td>
<td>.547</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>.081</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F/PrF</td>
<td>28.734</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Dependent Variable: KNM

The Fisher coefficients are 34.561 and 28.734 at the 1% significance level, implying that the research models are suitable at the 1% significant level. Moreover, the Durbin-Watson coefficients attain the values of 1.888 and 1.891 falling in the interval from $d_u$ to $(4 – d_u)$; indicating no autocorrelation. The coefficients of $\chi^2$ from the Breusch–Pagan test attain the values of 0.631 and 0.422 at the 0.374 and 0.547 significance levels that surpass the 10% level, demonstrating no heteroscedasticity. In addition, the values of VIF are all less than 2, showing no multicollinearity.

Table 3 also proves that the influences of the corporate governance variables of CGO1 and CGO2 on the managerial accounting variable are at the statistically significant levels of 1% and 5%, with influential coefficients of 0.473 and 0.179 respectively.
Table 5. Regression analysis

<table>
<thead>
<tr>
<th></th>
<th>β</th>
<th>S.E.</th>
<th>t</th>
<th>Pt</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.963</td>
<td>.057</td>
<td>69.123</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>CGO1</td>
<td>.392</td>
<td>.084</td>
<td>4.666</td>
<td>.000</td>
<td>1.480</td>
</tr>
<tr>
<td>CGO2</td>
<td>.349</td>
<td>.084</td>
<td>4.136</td>
<td>.000</td>
<td>1.480</td>
</tr>
<tr>
<td>Durbin-Watson</td>
<td>1.901</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\chi^2/P\chi^2)</td>
<td>.745/291</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(R^2)</td>
<td></td>
<td>215</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F/FP</td>
<td>45.009/0.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Dependent Variable: KNM

Table 6. Regression analysis

<table>
<thead>
<tr>
<th></th>
<th>β</th>
<th>S.E.</th>
<th>t</th>
<th>Pt</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.643</td>
<td>.161</td>
<td>22.561</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>CGO1</td>
<td>.338</td>
<td>.087</td>
<td>3.879</td>
<td>.000</td>
<td>1.614</td>
</tr>
<tr>
<td>CGO2</td>
<td>.329</td>
<td>.084</td>
<td>3.893</td>
<td>.000</td>
<td>1.498</td>
</tr>
<tr>
<td>MAA</td>
<td>.113</td>
<td>.053</td>
<td>2.120</td>
<td>.035</td>
<td>1.211</td>
</tr>
<tr>
<td>Durbin-Watson</td>
<td>1.900</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\chi^2/P\chi^2)</td>
<td>.801/254</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(R^2)</td>
<td></td>
<td>.226</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F/FP</td>
<td>31.825/0.000</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

*Dependent Variable: KNM

Table 4 indicates that the impact of the managerial accounting variable on the management of knowledge is at the statistically significant level of 1%, with an influential coefficient of 0.281. Thus, the linear regression analyses offer statistical supports for the hypotheses. The adoption of managerial accounting systems in enterprises is partly determined by the corporate governance structure; but it is an antecedent of knowledge management.

To analyze the mediating role of managerial accounting systems on the linkage between corporate governance and knowledge management, first regression analyses were employed. The results are shown in Tables 5 & 6. Based on the determination coefficients of \(R^2\), the Fisher coefficients, the Durbin-Watson coefficients, the coefficients of \(\chi^2\), the values of VIF, and P values, it can suggest the research models in Tables 5& 6 gain goodness of fit to the data. It can be seen when included into the research model in Table 6, MAA decreases the influences of the corporate governance variables of CGO1 and CGO2 on the managerial accounting variable from 0.392 and 0.349 down to 0.338 and 0.329 respectively.

In concurrence with Baron and Kenny (1986), it could suggest the acceptance of managerial accounting systems likely mediates the linkage between corporate governance and the management of knowledge. The mediating procedures stipulated by Goodman (1960) were applied to examine the statistical significance for the interceding impacts. The outcomes are displayed in Table 7. The empirical figures point out, the implementation of managerial accounting systems statistically mediates the effects of the corporate governance items of CGO1 and CGO2 on the management of knowledge at the 1% & 10% levels with the coefficients of 0.160 and 0.058 respectively.
Table 7. Mediating analyses

<table>
<thead>
<tr>
<th>Mediating variable</th>
<th>Linkage</th>
<th>Coefficient</th>
<th>S.E.</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MAA CGO1→KNM</td>
<td>.160</td>
<td>.050</td>
<td>3.197</td>
<td>.0014</td>
</tr>
<tr>
<td></td>
<td>MAA CGO2→KNM</td>
<td>.058</td>
<td>.031</td>
<td>1.869</td>
<td>.0615</td>
</tr>
</tbody>
</table>

It can then suggest that, managerial accounting systems transmit a partial influence of corporate governance on knowledge management in business via itself.

**CONCLUSION**

Corporate governance is a vital factor in the acceptance of managerial accounting systems and the management of knowledge. In Vietnam, however, there are almost no studies analyzing the relationship between corporate governance structure, the approval of managerial accounting systems and the management of knowledge. Consequently, the current research focuses on studying the causal relationship among corporate governance structure, the application of managerial accounting systems and the management of knowledge in business; in which the corporate governance structure is the factor that affects the acceptance of managerial accounting systems, which in turn stimulate the acceptance of knowledge management.

The current project applied statistical techniques such as reliability, exploratory factor, linear regression and mediating analyses to analyze and evaluate the influence of the corporate governance structure on the acceptance of managerial accounting systems and management of knowledge in business. The empirical results of this research are consistent with the results of previous studies on the causal relationship among the corporate governance and the application of managerial accounting systems and knowledge management.

The findings indicate that, enterprises, where the board comprises the higher proportion of independent directors and the separation of chairperson and chief executive officer can augment the adopting level of management accounting practices in business, and the accepting level of knowledge management in business. Enterprises, management accounting systems are paid attention by managers, and then they likely adopt more knowledge management in business. Furthermore, the current article also offers evidence on the mediating role of accepting management accounting practices in business between corporate governance and knowledge management in business. When management accounting practices are adopted in business, along with knowledge management, they can transmit a part of corporate governance influence on the implementation of knowledge management in business via them.

To the literature, the current research is the first to offer evidence on the mediation of approving management accounting systems in the influence of corporate governance mechanisms on the implementation of knowledge management in business. To the practical aspects, the research results of this work will help scholars study management and accounting as well as help leaders of Vietnamese enterprises have a deeper and more general understanding of the relationship among the corporate governance, the application of managerial accounting systems and management of knowledge in business. It will help to give some useful management implications for business managers in applying managerial accounting systems and knowledge.
management in business. This research also implies that business managers should choose suitable managerial accounting systems and the appropriate acceptance of knowledge management in business in accordance with the current corporate governance structure of their enterprises. This can help enterprises gain reasonable advantages over their competitors. As a result, enterprises will increasingly improve their organizational efficiency.

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Conceptualization, Q.L.H. and V.K.N.; methodology, Q.L.H. and V.K.N.; data collection, V.K.N.; formal analysis, Q.L.H.; writing—original draft preparation, Q.L.H. and V.K.N.; writing—review and editing, Q.L.H.; visualization, Q.L.H.; supervision, Q.L.H.; project administration, Q.L.H.

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