



Improving Banking Services Based on Strategic Management Accounting Techniques

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OPEN ACCESS

Article type: Research Article

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Received: May 11, 2025

Accepted: August 17, 2025

Published: Summer 2025

Citation: Mehrabinia, R., Zarei, F., and Golmohammadi Shouraki, M. (1404). Improving banking services based on strategic management accounting techniques. *Strategic Management Accounting Quarterly*, 2(2), 43-61.

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Abstract

Providing high quality banking services is one of the fundamental pillars in the success and survival of banks in today's competitive market. Strategic management accounting techniques play a key role in the continuous improvement of banking services. The present study aims to investigate the impact of three strategic management accounting techniques, including quality costing technique, comprehensive quality management technique, and theory of constraints technique, on improving banking services. This research is applied in terms of its purpose and descriptive and survey in terms of data collection. In this study, a researcher-made questionnaire was used. The statistical sample consisted of 185 bank accountants, managers, and university faculty members. Cronbach's alpha coefficient and t-test were used to test the data to measure the reliability of the questionnaire. The results of the study showed that strategic management accounting techniques, including quality costing technique with eight indicators, comprehensive quality management technique with twelve indicators, and theory of constraints technique or ten indicators, lead to improvement in banking services. The research results also emphasize the importance of strategic management accounting techniques in improving the quality of banking services.

Keywords: Quality costing, Total Quality Management, Theory of Constraints, Management Accounting, Banking Services.

JEL Classification: D24, D2, R3, P42, E23

DOI: <https://doi.org/10.22034/smajournal.2025.522926.1024>

INTRODUCTION

In today's business environment, which is accompanied by increasing globalization of markets and competition, the quality costing system is considered a cost management tool that can increase the competitive advantage of the organization ([Safipour Afshar et al., 2024](#)). The secret to the success of superior service-providing organizations can be found in customer orientation and attention to the quality of their services ([Anvary Rostami et al., 2021](#)). Due to the importance of quality in service industries and its prominent effects on customer satisfaction, the question is always raised as to how service quality can be improved. The goal of all service institutions, including banks, is to provide appropriate and satisfactory services to customers. Since financial service organizations, and especially banks, operate in an environment with undifferentiated products, service quality is known as their first weapon of competition ([Hosseini and Ghaderi, 2010](#)). Therefore, identifying methods that can increase the quality of banking services to customers will be useful and effective. The use of management accounting techniques improves organizational performance ([Bakshash Tiani et al., 2024](#)). Research by Zhou et al. ([2025](#)), Hyun ([2025](#)) and Souza and Akiziri([2025](#)) emphasizes the importance of management accounting methods in improving the performance and services of banks. The quality costing technique, the theory of constraints technique and the total quality management technique are strategic management accounting techniques that can help banks increase the quality of services. The sharp increase in customer expectations in competitive financial markets has prompted banks to continuously seek financial innovations and improve the quality of their services. Today, global competition, changing markets and new technologies have created ways to create value in terms of quality. Organizations and banks need innovation to succeed in business and survive, and the need for innovation and performance improvement is one of the reasons for implementing total quality management. Tight competition in these markets has forced organizations to attract customers by reducing costs and increasing quality. In the meantime, implementing total quality management has been proposed as an effective solution to meet these expectations ([Abdollahzadeh Sureshjani, 2025](#)). The theory of constraints is one of the decision-making techniques in strategic management accounting and one of the new theories of performance evaluation that thinks about growth strategy with a systematic approach to the enterprise and in coordination with the cost leadership strategy. Using the concepts of the theory of constraints in explaining economies of scale, which is a concept of management economics, can lead to systemic thinking in banks. The concept of economies of scale refers to a change in the production of products in exchange for a change in inputs and obtaining the advantage of reducing costs due to an increase in output volume ([Salehi and Khanmohammadi, 2019](#)). In the present era, the banking industry is faced with various challenges in providing superior and more efficient services to its customers. One of the basic strategies in this direction is to adopt innovative approaches in managing banking operations. This research focuses on improving banking services by utilizing strategic management accounting techniques, which can help banks make informed decisions and improve overall performance. The banking market is highly competitive and banks are constantly striving to provide superior services and differentiate themselves from their competitors. Optimizing operating costs to improve profitability is one of the main goals of banks. Strategic management accounting enables banks to make strategic decisions by providing deep insights into the costs associated with various services. Maintaining and enhancing customer satisfaction is also among the key priorities of banks. This research seeks to show how strategic management accounting can be effective in better understanding customer needs, providing desirable services, and ultimately improving customer service. Strategic management accounting is a new approach in the field of accounting that goes beyond traditional financial reporting. In the banking industry, strategic management accounting can be used as a powerful tool to evaluate and improve the services provided to customers. The purpose of this research is to explore the ways in which strategic management accounting can help improve the quality of banking services, increase customer satisfaction, and ultimately gain competitive advantage.

In this research, we seek to answer the following questions:

1. Can the quality costing technique improve banking services?
2. Can the total quality management technique improve banking services?

3. Can the theory of constraints technique improve banking services?

METHODOLOGY

This research is applied in terms of purpose and descriptive and survey in terms of data collection. Also, the method of collecting research data is a questionnaire. In this research, a researcher-made questionnaire was used and the components of the question in it were determined by obtaining the opinions of various professors and experts. The statistical population of this research includes bank accountants, managers and university faculty members in the country. The sample size in quantitative research with an uncertain statistical population is 150 to 200 people (Carmen et al., 2007). Therefore, due to the uncertainty of the statistical population, the number of statistical samples was selected as 185 people and the questionnaire was distributed among the statistical sample. The sampling method was selected randomly according to the Cochran table. The validity of the questionnaire was confirmed through interviews with professors and experts in the field. Cronbach's alpha was also used to test the reliability of the questionnaire. The Kolmogorov-Smirnov test was used to assess the normality of the data, and SPSS software and the T-test were used to analyze the data. The sampling approach was non-probabilistic and followed the snowball technique, allowing for broad dissemination of the questionnaire among qualified respondents. Out of 203 distributed questionnaires, 187 were returned, with 180 deemed valid after initial screening yielding an 88% effective response rate, which is considered robust for field-based studies. The collected data were coded and organized in Microsoft Excel and subsequently analyzed using SmartPLS to assess the proposed structural model and test the formulated hypotheses. The conceptual model includes four primary constructs: (1) perceived usefulness of AI in accounting functions, (2) its impact on professional efficiency and accountability, (3) the influence of AI on digital workplace environments and (4) the anticipated curricular and skill-related transformations in accounting education. Each construct was operationalized through multiple observed variables (Table 1), reflecting dimensions such as error reduction, enhanced decision-making, strategic foresight, digital workplace flexibility and the educational implications of AI adoption. The methodology is designed to provide both theoretical generalizability and empirical insight, enabling a systematic evaluation of AI's transformative potential within the accounting profession in the Iranian context.

RESULTS

The purpose of the present study was to examine strategic management accounting techniques based on improving banking services. Therefore, quality costing techniques, comprehensive quality management techniques, and the theory of constraints techniques were examined. Quality costing techniques with indicators of recognition, classification, and improvement of banking activities in quality costs, desirable quality in providing banking services, attention to prevention costs in providing banking services and operations, attention to evaluation costs in providing banking services and operations, attention to non-compliance costs in providing banking services and operations, attracting positive views of bank managers to the concepts of quality, internal control and inspection, and control and review of operating costs lead to improvement of banking services. Quality costing techniques are a new approach to improving banking services. This technique helps banks to identify, manage, and reduce quality-related costs by using indicators of recognition, classification, and improvement of banking activities. Categorizing and analyzing the costs that arise due to lack of quality in banking services, such as inspection costs, error correction and fines due to non-compliance, reduce. Setting quality standards for banking services and striving to achieve them, which leads to increased customer satisfaction. Given these indicators, banks can adopt strategies to improve the quality of their services. These strategies include attracting a positive opinion of bank managers to the concepts of quality, strengthening internal control and inspection, and controlling and closely examining operating costs. As a result, the quality costing technique, focusing on identifying and managing quality-related costs, leads to improved banking services, increased customer satisfaction and greater efficiency of banking operations. Total quality management technique with indicators of continuous performance improvement in service and operational processes of banks, participation of all members of the bank's

staff in providing banking services, attention to quality in all service processes, attention to quality control charts in providing banking services, organizational commitment of all bank employees, increasing individual and organizational productivity in providing banking services, improving the quality of banking services, adapting banking services to global standards, paying attention to customers and meeting their needs, continuous training and learning of bank employees and managers, competitive advantage as a result of successful implementation of total quality management and successful implementation of total quality management leads to increased efficiency and reduced costs. The results of the research showed that the Theory of Constraints technique with the indicators of optimizing scheduling programs in providing banking services to customers, evaluating employee performance and removing functional constraints, using it in operational decision-making to improve the provision of banking services, eliminating non-value-added activities in providing banking services, optimally allocating financial resources to customers, optimizing liquidity management in banks, using constraints as an opportunity to address deficiencies and increase the organization's functional efficiency, eliminating and improving loan management constraints, optimizing bank lending to customers, eliminating functional constraints in providing services to customers leads to improved performance and elimination of financial and operational constraints of banks. The results of the research are consistent with the studies of Zhou et al. (2025) and Khezripour et al. (2010).

CONCLUSION

The results of the study showed that strategic management accounting techniques, including quality costing technique with eight indicators, comprehensive quality management technique with twelve indicators, and theory of constraints technique or ten indicators, lead to improvement in banking services. The research results also emphasize the importance of strategic management accounting techniques in improving the quality of banking services.

Contribution of Authors

The authors jointly contribute to the preparation and publication of the article.

Ethical Approval

Informed written consent was obtained from individuals for the publication of their anonymous information in this study.

Sponsor

This study had no sponsor.

Conflict of Interest

No conflict of interest was declared by the authors.

Acknowledgements

We would like to thank all the professors who accompanied us in conducting the research.

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