

STRATEGIC MANAGEMENT ACCOUNTING (SMA) USAGE, MANAGERS' MENTAL HEALTH AND FIRM PERFORMANCE: AN EXPERIMENTAL STUDY

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ABSTRACT

Based on RBV's theory, SMA Usage and employee mental health are valuable internal resources that can offer a competitive advantage when managed effectively. This research explores their impact on firm performance and highlights their importance to organizations. This is an experimental study with a 2x2 factorial design between subjects by manipulating SMA Usage (strong and weak) and the manager's mental health (high and low). This study found that SMA Usage and managers' mental health are key factors in firm performance, with the interaction effect evident only in net profit. The findings also support RBV theory, showing that both are crucial for firms to manage effectively. This study offers valuable practical implications for companies aiming to enhance performance. Effective SMA implementation supports strategic decisions, while prioritizing managers' mental health promotes strong leadership, both contributing to sustainable competitive advantage. To the best of the authors' knowledge, this is the first study that combined the field of strategic management accounting with the field of psychology to examine the effects on firm performance. The experimental approach is also a novelty to test the causality of the two factors.

Keywords: SMA Usage, Manager's Mental Health, Firm Performance, RBV, Experimental Study.

INTRODUCTION

Since Simmonds (1981) introduced Strategic Management Accounting (here in after referred to as SMA), interest in SMA has continued to grow, exploring its application through research by Cadez & Guilding (2012); Hadid & Al-Sayed (2021); Oyewo (2021); Turner et al., (2017). The vital role of SMA practices in supporting decision making and determining the position of strategic plans in the company continues to be emphasized. Cadez & Guilding (2008) classifies SMA practices into five main categories, including cost calculation, planning, performance control and measurement, strategic decision making, competitor accounting, and customer accounting. Further research by Hadid & Al-Sayed (2021) and (Oyewo, 2021) enriched this understanding by establishing a more specific number of SMA practice items, reaching 12 and 19 items respectively.

SMA practice carries a variety of techniques that are not only useful but also relevant to facilitate corporate value creation (Ax & Greve, 2017). The association of SMA with competitive advantage is seen in studies by Al-Tarawneh et al., (2021); Duçi (2021); Oboh & Ajibolade (2017). SMA also plays a crucial role in the selection of competitive strategies (Al-Mawali, 2015; Cescon et al., 2019; Höglund et al., 2021). The evaluation of the impact of SMA on company performance was revealed through studies by Alamri (2019); Laela et al., (2018); Petera et al., (2020); Phornlaphatrachakorn & Na-Kalasindhu (2020); Shi (2021), showing that SMA is not just a theoretical concept, but a practical tool that significantly affects overall company performance. As an evolving discipline, SMA remains relevant as a strategic guide to help companies optimize operations and achieve their strategic goals. SMA emerges as a critical internal resource that can significantly influence company performance. SMA is not just a tool for financial reporting, it is a comprehensive approach that integrates strategic thinking into the

financial decision-making process. According to (Phornlaphatrachakorn, 2019), SMA aligns financial management with the strategic goals of the organization, thereby serving as a valuable resource that contributes to the firm's competitive advantage. This perspective is supported by empirical research, which demonstrates that the successful implementation of SMA can lead to enhanced company performance, as revealed in research by Dang et al., (2021); Doktoralina & Apollo (2019); Laela et al., (2018); Turner et al., (2017). SMA is more than a routine accounting practice, it is a strategic resource that, when effectively utilized, can drive a company towards superior performance outcomes.

The importance of employee mental health in improving company performance is increasingly recognized. Delgado et al., (2021) emphasize that good mental health not only contributes to company performance, but also increases resilience in the work environment. Ho & Kuvaas (2020) highlight that Human Resource Management (HRM) practices that are responsive to employee mental health can improve overall company performance. Investments in employee mental health, have been shown to provide economic benefits for companies with healthier workers (Ab Wahab & Tatoglu, 2020; Harvey, 2019). However, mental disorders in employees can be detrimental, lowering work performance (Tsuchiya et al., 2012).. Therefore, involving mental health in a company's management strategy is not only an ethical decision, but also a smart decision to support the productivity and overall well-being of the organization. The recognition of employee mental health as a strategic resource aligns with the broader RBV framework, which emphasizes the importance of integrating both tangible and intangible resources in the pursuit of competitive advantage. Companies that understand the value of employee mental health are likely to implement policies and programs that support mental well-being. These may include initiatives such as mental health training, employee assistance programs, flexible working arrangements, and other supportive measures that create a work environment conducive to mental well-being. Such initiatives not only improve the mental health of employees but also contribute to their overall job satisfaction, engagement, and productivity.

A number of studies related to SMA highlight the positive impact of this practice on company performance. Turner et al., (2017) revealed that SMA practices contributed to improved hotel property performance in eight countries, including America, Belgium, Canada, China, Iraq, the Netherlands, Sweden, and Switzerland. Dang et al., (2021) examined the sugar industry in Vietnam and found that all five SMA practices, such as cost calculation, planning, performance control and measurement, strategic decision making, competitor accounting, and customer accounting, can improve company performance in the sector.

Doktoralina & Apollo (2019) research highlights a significant positive relationship between SMA practices, supply chain outcomes, and profitability of logistics companies in Malaysia. The same thing was expressed by Phornlaphatrachakorn & Peemanee (2020) in a study of 159 beverage companies in Thailand, where integrated performance measurement as an SMA approach is the main determinant of company performance. Although there is no universally agreed definition of SMA (Turner et al., 2017), Simmonds (1981) pioneered it by formulating it as "the provision and analysis of management accounting data about a business and its competitors for use in the development and monitoring of business strategies." This definition emphasizes the use of accounting information not only for internal financial monitoring but also for strategic decision making in the overall business context.

SMA practices emerged in response to the failure of traditional management accounting techniques in providing adequate information to monitor external factors such as customers and competitors (Guilding et al., 2000). In practice, SMA evolved to provide a more external focus, involve a long-term perspective, forward-looking, and be strategic in nature (Guilding et al., 2000). By shifting attention away from internal financial data towards a broader view of the business environment, SMA aims to provide additional benefits for managers in developing and executing strategies that can improve the competitiveness and sustainability of the company.

The practice of SMA has experienced significant development since it was established by Cadez & Guilding (2008). They define five broad categories of SMA practice, covering cost calculation, planning, performance control and measurement, strategic decision making, competitor accounting, and customer accounting and if you take a deeper look, there are actually 16 SMA practice items. Hadid & Al-Sayed (2021) and Oyewo (2021) also contributed by defining 12 and 19 SMA items, respectively.

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In the context of Islamic banking in Indonesia, Laela et al., (2018) conducted a survey of 97 Sharia Banks, including Sharia Business Units and Sharia People's Credit Banks (Bank Perkreditan Rakyat-BPRS). The results show that SMA practice has a positive impact on improving Sharia maqashid-based performance. This finding reinforces the view that the application of SMA does not only apply to certain industrial sectors, but also penetrates diverse sectors, such as hospitality, agriculture, logistics, and Islamic banking, proving the significance of its contribution to the overall performance of the company. As this research continues to grow, understanding of the positive impact of SMA practices on company performance is strengthening, providing valuable guidance for organizations in optimizing their strategies and operations.

Although several studies show the positive impact of SMA practices on company performance, unsatisfactory findings were also noted in previous studies. Langfield-Smith (2008) and Lachmann et al., (2013) provide different perspectives by highlighting the constraints in the application of SMA. Langfield-Smith (2008) notes that the practice of SMA is not yet widely known, suggesting that its spread is still limited. On the other hand, (Lachmann et al., 2013) researched various Hospitals and found that SMA practices could not be widely applied due to differences in characteristics between them.

Both of these findings were surprising to researchers who hoped SMA practices could be an equitable solution across different companies, helping managers deal with competition and uncertainty while making strategic decisions (Hadid & Al-Sayed, 2021). The existence of constraints in the implementation of SMA highlights the complexity of the business context that affects its acceptance and effectiveness.

Interestingly, in the context of employee mental health research, not much attention has been given especially when it comes to company performance. This creates further research opportunities to explore the extent to which mental health factors can influence a company's performance. This lack of understanding underscores the need for further research to explore the relationship between employee mental health and business outcomes, providing valuable insights for practitioners and stakeholders seeking to improve employee well-being and overall organizational performance.

Gaps in previous research on the practice of using SMA and opportunities to test mental health in the context of corporate performance are the basis for motivation for this study. Uniquely, the two have never been tested together as determinants of company performance. While many previous studies explored the effect of SMA or mental health on company performance separately, this study fills a literature gap by investigating how the interaction of the two can affect business outcomes.

The experimental method to be applied in this study is an approach that has never been tested in the context of the use of SMA, mental health, and its relationship with company performance. The study will manipulate two main independent variables: SMA use and mental health. The use of SMA will be manipulated through the categories of strong SMA usage and weak SMA usage based on the results of previous research by Oyewo (2021), which presents the 19 most comprehensive SMA practice items.

Mental health variables will be manipulated by describing two conditions: high mental health and low mental health, with case scenarios to be constructed by researchers. This study will examine differences in company performance based on participant behavior, does it tend to be better when companies that use *strong strategic management accounting usage* and with managers who have *high mental health* or vice versa?

Based on the background explained, the research hypothesis is as follows: H1: Participants who get information about the use of strong SMA will be optimistic that there will be a decrease (increase) in operational costs (net profit) compared to participants who get information about the use of weak SMA. H2: Participants who role as managers with high mental health will be optimistic that they can reduce (increase) operational costs (net profit) compared to participants who role as managers with low mental health. H3: Managers' mental health moderates the relationship between SMA use and firm performance as measured by operating costs and net profit. (Specifically: The relationship between use of SMA and operating costs (net profit) will be weaker (stronger) when managers have high mental health than managers who have low mental health).

RESEARCH METHODS

Participants and Experiment Design

Participants in this experiment were students of the Department of Accounting, Politeknik Negeri Banjarmasin, Indonesia. The selection of student participants as surrogate was based on the reason that they also have competencies obtained from passing theoretical and practical courses in Management Accounting or Cost Accounting which contain lessons related to cost calculations and the use of strategic management accounting in companies. Student participants also have an advantage over real participants in that they are free of bias regarding their work. The real participants may still be carried away in the atmosphere of their work so that their answers can be biased and contain the context of their respective companies, not because of the manipulation determined by the researcher. Figure 1 below is an experimental design with information on the number of participants in each cell:

Table 1. 2x2 Experiment Design 2x2 Between Subjects

Managers' Mental Health	SMA Usage	
	Strong SMA	Weak SMA
High Mental Health	21 Participants	21 Participants
Low Mental Health	21 Participants	22 Participants

Research Variables

The independent variables in this study were the SMA Usage (strong and weak) and managers' mental health (high and low) as moderating variables. SMA Usage is manipulated with strong SMA Usage and weak SMA Usage. The researcher will present 19 SMA based items (Oyewo, 2021) and accompanied by a statement that 19 items are 100% complete. This was done in both groups so that the participants were aware of whether their condition was strong or weak. The manipulation group presented information on hypothetical companies that adopted 19 items (complete) SMA, the same as the information received by previous participants. Whereas for weak SMA Usage, it is presented as less than 50% of the 19 (complete) items.

Managers' mental health manipulated with high mental health and low mental health. Participants filled out questionnaires about mental health and read articles about mental health based on research (Hobson, 2008). Those in the manipulation group (high mental health) filled out a questionnaire (pre-measurement) and then read articles about mental health, then filled out the questionnaire again (post-measurement). Meanwhile, participants in the control group only filled out the same questionnaire as the manipulation group. According to Hobson (2008) a person's mental health will increase with education through reading articles related to mental health, so researchers use this instrument to manipulate managers' mental health.

The dependent variable used in this study is firm performance. Researchers measure firm performance using two measures, namely the efficiency of operating costs and net profit. Participants were asked to rate their confidence in achieving future performance on a 7-point Likert scale (Very Confident to Very Unconfident).

An important part of any experimental research is the manipulation check. Manipulation check for strong SMA Usage, namely "Is SMA usage complete and comprehensive?". If the participant's answer is between a scale of 3 and 4 on a 4-point Likert scale (1 = very incomplete, 2 = incomplete, 3 = complete, 4 = very complete) then the answer is considered to pass the manipulation test because the participant agrees (Rokhayati et al., 2019). The same thing was done for the mental health manipulation test.

Experimental Procedure

All these research instruments have been conducted pilot tests 2 times involving students and experts in the field of accounting. Experiments were carried out online via the zoom platform at the same time. All participants who had agreed to participate were randomly assigned to one of four experimental conditions. Each participant received a numbered packet for randomization purposes. Each participant was then told about their role as a manager who would assess the use of the SMA. They were then asked to follow the experimental steps sequentially, as follows.

First step

Participants were provided with a hypothetical company profile & complete and comprehensive SMA usage information.

Step two

Participants were provided with information regarding the use of a complete SMA for the manipulation group and incomplete information on the use of SMA for the control group.

Third step

Participants were asked to answer SMA manipulation checks. Participants were asked to rate the completeness of SMA usage on a 4-point Likert scale. The question is "Is the use of SMA complete and comprehensive?". This question was given to both

manipulation and control groups. They gave a high scale (3 to 4) if they rated strong SMA Usage and a low scale (1 to 2) if they rated weak SMA Usage.

Fourth step

Participants were asked to answer a mental health questionnaire. Participants in the manipulation group were asked to fill out 2x questionnaires (pre-measurement and post-measurement), after the pre-measurement the participants were asked to read articles about mental health, then carried out post-measurement with the same questionnaire questions. For participants in the control group, the same procedure was carried out, but the articles provided were not about mental health, but articles about crime.

Fifth step

Participants were asked to answer a mental health manipulation check. Participants were asked to rate their level of mental health on a 4-point Likert scale. The question is "Has your mental health improved after reading the article above?". This question was given to both manipulation and control groups. They gave a high scale (3 to 4) if they assessed that after reading the article, they could improve their mental health (high mental health) and a low scale (1 to 2) if they assessed that there was no improvement in mental health after reading the article (low mental health).

Sixth step

Participants in both the manipulation group and the control group were asked to answer a questionnaire about achieving future firm performance on a 7-point Likert scale (1=very unconfident to 7=very confident).

RESULT AND DISCUSSION

Descriptive Statistics

This study involved respondents with varying demographic characteristics, both in terms of gender and age.

Table 2. Descriptive Statistics

Variable	Range	Frequency	Percentage (%)
Gender	Female	50	58.80
	Male	35	41.20
Age	19	11	12.90
	20	52	61.20
	21	22	25.90
Grade Point of Average (GPA)	3.0-3.50	28	32.94
	>3.50	57	67.06

The total number of participants in this experiment was 90 students, but only 85 passed the manipulation test and fully participated in the study. Of the 85 participants who passed the manipulation test, the majority were female, with 50 (58.80%) and 35 (41.20%) being male. The ages of the participants varied between 19 and 21 years. The age distribution shows that 11 participants were 19 years old (12.90%), while most were 20 years old, with a total of 52 (61.20%). The remaining 22 (25.90%) were 21 years old. In terms of academic achievement, the participants had varying Grade Point Averages (GPA). A total of 28 (32.94%) had a GPA in the range of 3.00 to 3.50, while many participants, 57 (67.06%), had a GPA above 3.50. These data show that participants

varied not only in demographics but also in academic attainment, which may provide diverse perspectives in their assessments of the company's performance in this experiment.

Randomization Testing

Randomization was carried out by randomly distributing assignments to all participants to reduce bias caused by the characteristics of the research subjects in the manipulation group (Nahartyo & Intiyas, 2016). We have tested randomization by looking at the Chi-Square values which can be seen in Table 3.

Table 3. Randomization Test Result

Source	Df	Pearson Chi-Square
Gender*Operating Cost	5	0.448
Age*Operating Cost	10	0.710
GPA* Operating Cost	185	0.703
Gender* Net Profit	6	0.697
Age* Net Profit	12	0.766
GPA*Net Profit	222	0.684

Based on the results presented in Table 3, it can be concluded that the randomization process carried out in this study was successful. The success of randomization is indicated by the absence of a significant effect of participant demographic characteristics, namely Gender, Age, and Grade Point Average (GPA), on manager performance assessments, as indicated by a p-value greater than 0.05 for all these variables.

The success of this randomization is important because it ensures that each participant group has a balanced distribution of demographic characteristics. In other words, demographic variables such as Gender, Age, and GPA do not cause bias in the performance assessments of managers carried out by participants. This allows us to be more confident that the differences in performance assessments observed between participant groups can be directly attributed to the main variables being tested, namely SMA use and manager mental health, and not due to differences in demographic characteristics.

The success of this randomization also increases the internal validity of the study because it reduces the possibility that external factors or unwanted variables influence the results of the study. Thus, the results obtained from this analysis are more reliable and can be interpreted as the pure influence of the independent variables on the dependent variables, without any intervention from participant demographic variables.

Hypothesis Testing

Table 4 displays the results of a MANOVA analysis examining the effect of Strategic Management Accounting Usage (SMA), Manager Mental Health, and their interaction on operating costs and net profit. This analysis aims to determine the extent to which SMA usage and managers' psychological well-being can impact a company's financial performance.

Table 4. MANOVA Result

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
<i>Panel A: Operating Cost</i>					
Corrected Model	70.647 ^a	3	23.549	22.062	0.000***
Intercept	1763.855	1	1763.855	1652.488	0.000***

SMA Usage	54.496	1	54.496	51.055	0.000***
Managers' Mental Health	14.982	1	14.982	14.036	0.000***
SMA Usage x Managers' Mental Health	0.335	1	0.335	0.314	0.577
Error	86.459	81	1.067		
Total	1910.000	85			
Corrected Total	157.106	84			

Panel B: Net Profit

Corrected Model	75.238 ^b	3	25.079	23.853	0.000***
Intercept	1811.516	1	1811.516	1722.978	0.000***
SMA Usage	46.492	1	46.492	44.219	0.000***
Managers' Mental Health	23.457	1	23.457	22.311	0.000***
SMA Usage x Managers' Mental Health	3.961	1	3.961	3.767	0.056*
Error	85.162	81	1.051		
Total	1959.000	85			
Corrected Total	160.400	84			

Notes: ***significant at a 1% level, *significant at a 10% level

a. R Square = 0.450 (Adjusted R Square = 0.429)

b. R Square = 0.469 (Adjusted R Square = 0.449)

The first hypothesis (H₁) tested that participants who received information about strong SMA Usage would be more optimistic in assessing firm performance through reducing operational costs and increasing net profit compared to participants who received information about weak SMA Usage. From table 3, the results of the MANOVA test can be seen that the SMA Usage value is significant at 0.000 ($p < 0.01$) in both panel A and panel B. Then we can see that strong SMA Usage has a higher mean (5.36 in Operational Costs and Net Profit) than the weak SMA Usage (3.74 and 3.86 in Operating Costs and Net Profit) and significant at 0.000 ($p < 0.01$) (see table 4). From these two results it can be concluded that Hypothesis 1 is accepted statistically, strong SMA Usage affects participants in assessing performance better and optimistically.

These results indicate that when participants receive information that the company implements SMA effectively and strongly, they tend to assess that the company can reduce operational costs and increase net income better. Conversely, when SMA is assessed as weak, participants' optimism towards the company's performance also decreases significantly. This influence can be explained through the Resource-based View (RBV) framework, where strong SMA is considered a valuable and rare resource that can provide competitive advantage. When participants perceive that the company has effective resources in the form of strong SMA, they are more confident that the company can manage costs more efficiently and generate higher profits, which in turn increases their positive perception of the company's performance. In conclusion, the results of the H₁ test statistically support that the use of strong SMA significantly affects participants' optimism in assessing company performance. These results not only support the proposed hypothesis but also provide strong empirical evidence that strengthening the

implementation of SMA can be an important factor in the perception of better and more optimistic performance among company stakeholders.

Table 4. Independent Samples t-test Result

		N	Mean	SD	Sig.
Hypothesis 1 (H₁)					
<i>Firm Performance</i>	<i>SMA Usage</i>				
Operating Cost	Strong SMA	42	5.36	1.055	0.000
	Weak SMA	43	3.74	1.157	
Net Profit	Strong SMA	42	5.36	0.879	0.000
	Weak SMA	43	3.86	1.390	
Hypothesis 2 (H₂)					
<i>Firm Performance</i>	<i>Managers' Mental Health</i>				
Operating Cost	High Mental Health	42	4.98	1.239	0.003
	Low Mental Health	43	4.12	1.366	
Net Profit	High Mental Health	42	5.14	1.095	0.000
	Low Mental Health	43	4.07	1.438	

Then the second hypothesis (H₂) tested participants who are roled as managers with high mental health will be more optimistic in achieving firm performance through reducing operational costs and increasing net profit compared to participants who roled as managers with low mental health. In table 3, the MANOVA test results show that in both Panel A and Panel B, the manager's mental health variable is significant at 0.000 ($p < 0.01$). The results of the independent samples t-test showed that the mean of high mental health (4.98 in Operational Costs and 5.14 in Net Profit) is higher than the mean of low mental health (4.12 in Operational Costs and 4.07 in Net Profit) and significant at 0.0003 and 0.000 ($p < 0.01$). Through these results it can be concluded that Hypothesis 2 is also accepted statistically, managers with high mental health will be more optimistic in achieving firm performance. These results are in accordance with the findings of (Huang et al., 2016) and provide evidence that the role of employee mental health in the workplace is very important and supports the achievement of better firm performance and will lead to organizational success.

These results suggest that good mental health plays an important role in shaping managers' perceptions of the company's ability to achieve optimal performance. Managers with high mental health may have better energy levels, sharper decision-making abilities, and stronger motivation to achieve company goals. This is in line with the findings of Huang et al (2016), which showed that good mental health can improve work performance and satisfaction, which ultimately has a positive impact on overall organizational performance. Good mental health also allows managers to be more effective in managing stress and challenges in the workplace, which in turn can improve operational efficiency and the ability to generate profits. This strengthens the RBV framework which states that mentally healthy human resources are valuable assets and can provide a competitive advantage for companies. Overall, the results of the H₂ test statistically support that managers with high mental health are indeed more optimistic in assessing and achieving company performance. These results not only support the proposed hypothesis but also provide empirical evidence that managers' mental health is a key factor in determining organizational success. Thus, organizations looking to

improve performance should consider investing in programs that support employee mental health, as this can contribute significantly to the company's long-term success.

The last hypothesis tested in this study was hypothesis three (H_3) which stated that there was an interaction effect between the use of SMA and managers' mental health, when using strong SMA and managers in high mental health conditions they would be more optimistic in achieving performance. Based on the results of the MANOVA test, the interaction effect is not significant in panel A while in panel B it is significant at the 10% level with a value of 0.056 ($p < 0.10$), so we can only state that statistically Hypothesis 3 is partially accepted on the Net Profit criterion which is one of the measures of firm performance. The possible argument that can be built on these statistical results is that participants are more familiar with the concept of net profit in terms of performance measurement, they believe more that high net profit is a good parameter of firm performance compared to the concept of efficiency over operational costs which may require further explanation related to its closeness to performance.

Interpretation of these results suggests that while overall the interaction between SMA use and manager mental health was not significant on all performance measures tested, there is an indication that when performance is measured through net income, the interaction is more significant. One argument that can be put forward to explain this phenomenon is that participants tend to be more familiar and comfortable with the concept of net income as a measure of corporate performance. Net income is often considered a key indicator of corporate success and is frequently used in public financial reports, making it easier for participants to understand and accept as a valid measure. On the other hand, operational cost efficiency may be less familiar to participants, or is considered a more technical metric, requiring a deeper understanding of the relationship between operational costs and corporate performance.

In addition, these findings also indicate that strong SMA, when combined with good manager mental health, may have a more visible effect on more concrete and direct performance parameters such as net income. Managers with high mental health may be better able to understand and apply the information provided by SMA, which in turn may improve corporate net income. However, when performance is measured through operational cost efficiency, this interaction effect appears to be less strong, perhaps due to participants' difficulty in understanding the relationship between SMA use and reduced operational costs.

Thus, although Hypothesis 3 is only partially accepted and limited to the net income criterion, these results still provide important insights into how the interaction between SMA use and managers' mental health may affect perceptions of firm performance. These findings also suggest that in the context of this study, performance measured through net income may be more relevant to participants than operational cost efficiency. Therefore, organizations that implement strong SMAs and support managers' mental health may need to focus on how these policies can translate into increased net income, as a performance measure that is more easily measured and understood by stakeholders.

CONCLUSION AND SUGGESTION

The results of this study provide valuable insights into the influence of Strategic Management Accounting (SMA) use and managers' mental health on company performance, both in terms of operational cost efficiency and increasing net profit. Based on the results of the analysis and hypothesis testing, it can be concluded that (1) The use of a strong SMA has been proven to be able to reduce operational costs and increase

company net profit compared to the use of a weak SMA. Thus, SMA can be viewed as a valuable internal resource according to the Resource-Based View (RBV) theoretical framework. Companies that are able to manage and optimize strategic information through SMA will have a sustainable competitive advantage. (2) Managers with good mental health conditions are more optimistic and productive in reducing operational costs while increasing company profitability compared to managers with poor mental health conditions. This indicates that mental health is a strategic asset for companies. (3) Managers' mental health has a greater impact on their capacity to maximize the potential of SMA to create profitability, compared to its role in cost efficiency. This indicates that the combination of strong SMA use and good managerial mental health can result in more optimal financial performance.

This study also provides suggestions for optimizing the implementation of SMA in companies to strengthen the application of SMA by ensuring that all levels of management have access to relevant strategic information. Attention to mental health of mental well-being program managers such as counseling, stress management training, and work-life balance policies needs to be increased. Strategic Integration SMA implementation should not only focus on technical aspects, but also be combined with improving the quality of human resources through attention to psychological aspects.

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