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EXPLORING MANAGEMENT ACCOUNTING PRACTICES (MAPs) AND BUSINESS PERFORMANCE OF SMES IN THE MALAYSIAN BATIK INDUSTRY: TRACKING THE EFFECTIVENESS OF MAPs.

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Abstract:

This conceptual paper seeks to analyse the relationship between Management Accounting Practices (MAPs) and business performance in Small and Medium Enterprises (SMEs) in the context of Batik industry in Malaysia. Due to the particular cultural and economic significance of batik to Malaysia, this paper suggests that the adoption and use of MAPs can have considerable positive effects on efficiency, profitability, and sustainability of SMEs in batik industry. The paper examines and elaborates how MAPs, such as cost control, budgeting, performance evaluation, and financial analysis, are incorporated in batik production can improve business decisions, enhance operational efficiency and provide a competitive edge to the industry, so as to align with the available literature about MAPs and business performance. In addition, it also examines the barriers to the adoption of MAPs by SMEs in batik industry and proposes ways to mitigate them. By identifying and explaining the link between MAPs and enhanced business performance, this paper adds to the existing discourse on the role of management accounting in traditional craft-based industries and suggests areas for further studies and practical work in the industry. This paper also explains the limitations of Batik Industry' adoption of MAPs as well as methods to overcome these limitations. This article attempts to improve the understanding of management accounting's role in traditional and craft-based industries along with providing suggestions for further research and practice

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by giving a possible explanation for the connection between MAP and enhanced business performance.

Keywords:

Accounting, Batik, Business, Evaluation, Performance and Sustainability

Introduction

The integration of Management Accounting Practices (MAPs) in Small and Medium Enterprises (SMEs) has become an essential focus of research due to its potential to improve business performance. Management accounting is a part of accounting that provides economic and relevant financial information to managers and other internal users to support informed business decision-making. This information plays a critical role in the planning, monitoring, and controlling of activities within Small and Medium Enterprises (SMEs). Although MAPs literature has broadly focused on manufacturing and service industries, its implications for more traditional, craft-based sectors are relatively underexplored. One such sector is the Malaysian Batik Industry, which has cultural heritage and entrepreneurship intertwined with each other, making up a good portion of Malaysia's economy and cultural identity. But there are particular challenges faced by Batik Industry, most of which are limited resource and dependence on traditional management methods that inhibited their sustainability and competitiveness in the long run. Insufficient attention has been given to the role of MAPs in these enterprises, particularly with respect to utilizing it for improving operational efficiency and profitability.

Since younger generations are not very interested in carrying on batik traditions, the labor-intensive Batik Industry is facing a shortage of experienced craftspeople. In addition, the production process generates a lot of environmental waste, including wastewater that is packed with chemicals and an excessive amount of non-renewable energy (Kurniawati et al., 2025). If these sustainability concerns are not resolved, they may impede the industry's growth and attractiveness. The perceived value of genuine Malaysian batik has also been reduced by the flood of cheaper, machine-printed batik from other nations, further taxing local SMEs (Yaacob & Mat Zain, 2021).

However, it was only in the last few years that MAPs began to be identified and gained recognition as a significant factor in driving performance, particularly in SMEs. Evidence supports formal MAPs in other parts of the world associated with better decision making, improved financial management and enhanced sustainability of business activities (Chenhall, 2003; S. Alliyah and Dewi, 2023). Undoubtedly, this may still take some time but eventually SMEs responding with MAPs stand a better chance at keeping afloat during competitive pressures and evolving market conditions (O'Connor, 2019). Nonetheless, these studies primarily focus on larger industries, with limited attention given to the distinctive needs of SMEs in creative and traditional industries. In Malaysia, although some research has examined the role of MAPs in SMEs in general (Razak et al, 2023), the application of MAPs within the batik sector remains largely unexplored, creating a significant gap in the literature.

The lack of knowledge about how MAPs affect business success in Malaysian Batik Industry is the research issue this paper attempts to solve. Although MAPs are widely recognized as a tool for improving corporate efficiency, there are particular difficulties when applying them in the batik industry, since craft and creativity are essential to the operation of the company. The effectiveness of MAPs may be constrained by the industry's small size, dependence on artisanal techniques, and lack of official management training, but it also offers chances for accounting practice innovation. By examining the current state of MAPs adoption in Batik Industry, assessing its effect on business performance, and identifying implementation challenges, this research aims to close this gap.

This study is important because it has the potential to make theoretical and practical contributions. Theoretically, by focussing on a traditional, craft-based sector, it expands the scope of management accounting literature and contributes to the developing body of study on MAPs. In practical terms, the results of this study can help policymakers and Batik Industry better understand how to use MAPs to boost their competitiveness, operational effectiveness, and business performance. SMEs may increase financial management, cut expenses, and improve decision-making by knowing how MAPs can be modified to fit the particular requirements of the batik industry. This will ultimately help the sector expand and remain sustainable. The objective of this paper is to explore the application and effectiveness of MAPs in the Malaysian batik industry, providing new insights into its role in improving business performance.

This paper is structured as follows: Section 2 reviews existing literature on MAPs, focusing on its role in MAPs in SMEs, with particular attention to the creative industries. Followed by discusses the context of the Malaysian batik industry and the relationship between MAPs and business performance in SMEs in Batik Industry. Section 3 discusses research design and methodology. Section 4 outlines the implications of the findings. Finally, Section 5 concludes the paper, summarizing key insights and proposing directions for future research.

Literature Review

This literature review explores the existing research surrounding Management Accounting Practices (MAPs) and business performance, with a particular focus on Small and Medium Enterprises (SMEs) within the Malaysian Batik industry. The review synthesizes key findings, theories, and methodologies from various sources, presenting a coherent narrative that highlights current knowledge and identifies gaps in the literature. The review is organized in three main sections: the role of MAPs in SMEs, the context of the Malaysian batik industry, and the relationship between MAPs and business performance in SMEs.

The Role of Management Accounting Practices (MAP) in SMEs

According to Chenhall (2003) and Razak et al (2023), management accounting practices (MAPs) are crucial instruments that assist internal decision-making, strategic planning, cost control, and performance evaluation in businesses. It is often acknowledged that these techniques are necessary for improving the financial and operational performance of SMEs, which frequently function with limited managerial capacity, financial literacy, and resources (Ahmad, 2017). By strategically implementing MAPs, SMEs can more effectively allocate resources, control expenses, and become more responsive to changes in the market (Otley, 2016; Horngren et al, 2015).

MAPs include a wide range of tasks, including financial reporting, variance analysis, cost accounting, budgeting, strategic management accounting, and performance measuring systems (Langfield-Smith, 2008). By providing timely and pertinent financial and non-financial information, these tools assist SMEs in making well-informed decisions. Studies have consistently shown that SMEs who implement structured MAPs benefit from increased operational effectiveness, financial discipline, and business sustainability (Razak et al, 2023; Pavlatos & Kostakis, 2015). Famacion et al (2022), for example, highlighted how cost management and budgeting systems can improve operational control and match resources to strategic goals. Chenhall (2003) emphasised that, especially in dynamic and competitive situations, performance measuring systems help with strategic alignment and performance tracking.

Notwithstanding the obvious benefits SMEs' adoption of MAPs is still unequal, especially in traditional industries and emerging nations. Lack of qualified staff, restricted training opportunities, insufficient funding, and opposition to change are some of the obstacles to MAP implementation (Lopez and Hiebl, 2015; Ahmad, 2017; Maziriri and Mapuranga, 2017). The idea that management accounting is difficult, resource-intensive, or not immediately applicable to day-to-day operations is still prevalent in many SMEs, particularly family-owned or privately managed businesses (Marriott & Marriott, 2000). These constraints are especially noticeable in traditional and creative sectors, where decisions are made mostly on the basis of emotions rather than systematic financial research and business methods are frequently informal.

In the context of Malaysia, where SMEs form the backbone of the economy, there has been growing recognition of the need to strengthen financial management capabilities through MAP adoption (Razak et al, 2023). Nevertheless, despite notable advancements in industries like manufacturing and services, the traditional and creative sectors such as the batik industry have seen relatively less scholarly attention (M.Razali et al, 2021). SMEs that mostly rely on artisanal production and traditional business practices make up the batik sector, which is a significant economic contributor and cultural heritage asset in areas like Kelantan and Terengganu (Che Nawi et al, 2020; Said et al., 2019). These businesses often lack formalized accounting systems, limiting their ability to monitor performance, control costs, and engage in strategic planning.

Considering these difficulties, there is increasing agreement that traditional SMEs in batik industries stand to gain a great deal from customized MAPs frameworks that respect their distinct operational and cultural contexts and offer solid financial insights (Akhir et al, 2015; Nandan, 2010). According to research conducted by Razak et al (2023), context-specific MAPs adoption can boost sustainability in the creative industries, increase financial literacy, and encourage business growth when backed by digital technologies, government incentives, and training.

Furthermore, the incorporation of MAPs in the batik sector is consistent with more comprehensive national strategies, such as the SME Masterplan 2012–2020 and Malaysia's Cultural Economy Development Plan, which highlight the importance of financial resilience, entrepreneurship, and innovation in cultural enterprises (Malaysia External Trade Development Corporation [MATRADE], 2021). By monitoring the success of MAPs in this

setting, traditional industries can prosper in a contemporary economic climate while also promoting enterprise-level growth and cultural heritage preservation.

Despite its potential, there are very few conceptual and empirical research examining MAPs' use in traditional creative industries like batik. This gap offers a great chance to investigate how these methods might be modified and applied to improve performance, boost competitiveness, and guarantee sustainability in Malaysian Batik Industry. In addition to improving the body of knowledge on management accounting in SMEs, filling this gap will have useful ramifications for business consultants, educators, and legislators who support the creative economy.

The Context of the Malaysian Batik Industry

The Malaysian batik industry holds a unique position as both a symbol of national identity and a contributor to economic development. Furthermore, to being an essential element of the nation's cultural legacy, it also occupies a niche in the creative economy, especially given its connections to the travel, fashion, and handicraft sectors (Che Nawi et al 2020; Ministry of Tourism, Arts and Culture [MOTAC], 2020). Malaysian batik has unique cultural value and commercial possibilities due to its colorful motifs and hand-drawn or stamped techniques that set it apart from Indonesian batik (M. Razali et al, 2021). Small and Medium Businesses (SMEs), which are frequently family-owned and ingrained in traditional communities like those in Kelantan, Terengganu, and Pahang, run the majority of batik businesses in Malaysia

Despite its cultural significance, the batik sector faces considerable challenges in achieving sustainable business performance. Batik Industry is exposed to market competition and economic swings because they frequently have informal managerial structures, limited resources, and inadequate financial infrastructure (Gunawan et al, 2022; Razak et al, 2023). A lack of structure in financial planning, cost management, and performance evaluation results from the fact that many entrepreneurs in this sector place a higher value on artisanal craftsmanship, creativity, and legacy preservation than on formalized commercial strategies (Syed et al, 2021). This restricts their capacity to grow their business, penetrate new markets, and adapt successfully to changes in customer demand.

Adopting Management Accounting Practices (MAPs) becomes crucial in this situation. For SMEs intending to increase operational effectiveness and financial sustainability, MAPs can offer organized tools for forecasting, budgeting, cost control, and strategic decision-making (Razak et al, 2023). Formal MAPs have, however, not been widely adopted in the batik sector. Low financial literacy, limited access to accounting knowledge, reluctance to adapt, and the belief that contemporary accounting techniques are complicated or unnecessary in conventional company contexts are some of the obstacles to MAP adoption (M.Razali et al, 2021)

Furthermore, creative and heritage-based industries like batik production might not directly benefit from the use of current MAP frameworks, which are frequently created for the manufacturing or service sectors. These frameworks frequently place an emphasis on standardization and measurable metrics, which may not be in line with the customized output and intangible value that characterize artisanal businesses (Nandan, 2010). Contextualized accounting solutions that uphold the artistic integrity of batik production while encouraging prudent financial management are therefore becoming more and more necessary.

The significance of modernizing traditional sectors and boosting SMEs' competitiveness has been acknowledged by the Malaysian government. A few initiatives have been put in place to assist creative SMEs with capacity building, innovation, and business formalization under the National Creative Industry Policy and the SME Masterplan 2012–2020 (Malaysia External Trade Development Corporation [MATRADE], 2021). Financial subsidies, advisory services, and digitalization incentives have been made available to traditional and innovative firms through initiatives like TEKUN Nasional, SME Corp's SCORE program, and the PENJANA economic recovery plan (SME Corp Malaysia, 2021).

There aren't many empirical studies assessing these programs' effects on MAP adoption in the batik sector, even though they show a dedication to SME development. Most of the research that is now available concentrates on digital transformation or general financial support without looking at how these topics have affected management accounting effectiveness, awareness, or competence (Ahmad & Zabri, 2015). This highlights the need for a targeted study into how MAPs can enhance corporate performance in this culturally diverse industry and represents a sizable gap in policy and academic literature.

Additionally, academic interest in culturally grounded business models that combine traditional knowledge with modern management techniques has grown in recent years. (Kari et al (2017) highlight the significance of maintaining cultural identity while embracing innovation and sustainability. By integrating MAPs into the batik sector, SMEs can preserve their distinctive intangible cultural assets while simultaneously thriving in the face of contemporary economic constraints. This could be a useful link between these two imperatives.

Therefore, this study contributes to the growing body of literature that explores management accounting within non-traditional sectors, offering insights into how MAPs can be customized to fit the creative and cultural characteristics of Malaysian Batik Industry. Understanding how these enterprises perceive and utilize accounting tools can inform better policy interventions, business support services, and educational programs tailored to the needs of creative entrepreneurs.

The Relationship Between MAP and Business Performance in SMEs

Recent academic research has focused a lot of attention on the relationship between Management Accounting Practices (MAPs) and company performance in Small and Medium Enterprises (SMEs). Adoption of MAPs is positively correlated with enhanced financial performance, operational efficiency, strategic decision-making, and long-term sustainability, according to several empirical studies and theoretical models (Razak et al, 2023; O'Connor, 2019). MAPs encompass a wide range of tools such as budgeting, standard costing, variance analysis, financial forecasting, and performance measurement systems. When effectively implemented, provide SMEs with the necessary insights to manage resources efficiently and respond proactively to market dynamics (Langfield-Smith, 2008; Pavlatos & Kostakis, 2018).

According to O'Connor's (2019) cross-sectoral research of SMEs in Ireland, businesses who used formal MAPs showed noticeably superior levels of cost management, profitability, and responsiveness to economic changes than those that relied on informal or ad hoc financial procedures. Ahmad and Zabri (2015) noted that MAPs enabled accurate financial forecasting in the Malaysian setting, which improved resource allocation and budgeting results in SMEs. According to their findings, organized accounting procedures enhance external stakeholder

confidence and internal decision-making, particularly for financial institutions evaluating SMEs for loan and investment opportunities.

MAPs have been associated with improved non-financial performance indicators in addition to these quantitative results. Alsharari (2019) states that management accounting tools facilitate the integration of long-term strategic planning with daily operations, enhancing employee productivity, innovation capacity, and customer satisfaction, all crucial components of SME competitiveness in increasingly complex and volatile markets. In situations where SMEs encounter resource limitations, intense rivalry, and restricted market access, the strategic application of MAPs is especially crucial, since cost-effectiveness and flexible decision-making are essential for survival and expansion (Ahmad & Zabri, 2015).

Application in the Batik Industry Context

Although there is an ample amount of general research on MAPs and SME performance, there are still few studies that concentrate on traditional and creative sectors, like the batik industry in Malaysia. The Batik industry presents unique business issues because it is a highly specialized and culturally rooted creative enterprise sector. These include the complexity of pricing customized products, fluctuating production costs, and establishing a balance between commercial viability and creative autonomy (M. Razali et al, 2021). In this sense, using standardized MAPs frameworks without making the necessary adjustments could reduce their usefulness or even discourage artists and microbusiness owners from using them.

Nevertheless, MAPs can significantly improve corporate performance when customized for creative industries, according to several studies. In their qualitative study of Batik Industry in Kelantan, M. Razali et al (2021) hypothesized that companies who used pricing analysis and cost accounting techniques were more resilient to changes in the price of raw materials and had more control over their profit margins. Additionally, time management and labour productivity are two critical elements in handcraft-based businesses where time-to-market can affect competitiveness, which were revealed by performance assessment methods. Kari et al (2017) further emphasized the importance of MAPs in digital transformation and growth by pointing out that small SMEs with simple accounting systems were more likely to participate in e-commerce and market expansion.

The Batik Industry's adoption of MAP is still comparatively low, despite these encouraging findings. Limited financial literacy, a shortage of skilled workers, opposition to formalization, and a poor regard for accounting in creative businesses are some of the ongoing obstacles (Kari et al, 2017; M. Razali, 2021). This leads to a gap between the potential advantages of MAPs and their actual use, which could be made worse by the scarcity of accounting software made for innovative, small-scale businesses.

Towards an Industry-Specific Understanding

The need to create and evaluate industry-specific MAP models that incorporate both traditional values and contemporary financial practices is increasing due to the unique characteristics of Batik Industry. Customizing accounting procedures to match industry-specific realities is essential for acceptance, particularly among owner-managed businesses, claim Marriott and Marriott (2000). Management accounting systems must develop to capture both financial and non-financial performance elements in creative sectors, where intangible assets like cultural identity, original design, and artisanal skills are essential to value creation.

Furthermore, it is becoming more and more crucial to comprehend how MAPs might help achieve these policy objectives as the Malaysian government pushes for the globalization and digitization of traditional crafts. Although traditional SMEs can receive financial and training support from programs like the eUsahawan program, SME Corp's Business Capability Program, and CENDANA's Creative Industry Recovery Plan, relatively little study has been done to determine whether and how these initiatives have affected the adoption of MAP or enhanced business outcomes (MATRADE, 2021; SME Corp Malaysia, 2021).

In conclusion, MAPs and business performance in SMEs are positively correlated, according to a sizable body of research. In creative businesses like the Malaysian batik industry, where combining financial discipline with artistic integrity offers special opportunities and challenges, this link is still understudied. Contextualized empirical research that examines the degree of MAP implementation across local SMEs as well as its real effects on operational and strategic performance is obviously needed. For academics, decision-makers, and professionals looking to close this gap and combine traditional craftsmanship with modern business excellence, it offers an intriguing study agenda.

The body of research on MAPs and SMEs' company performance emphasizes how formal accounting procedures improve operational effectiveness, financial success, and strategic decision-making. The literature on the use of MAPs in creative industries, especially in more established fields like the Malaysian batik industry, is noticeably lacking, nevertheless. By examining the prospects and difficulties of MAP implementation in Batik Industry and evaluating its possible effects on business performance, this research seeks to close this gap.

The table below is the summary of recent literature.

Table 1: Summary of Recent Literature Review

Author(s)	Year	Study Focus	Methodology	Key Findings
Che Nawi, Mamun, Daud & Nasir	2020	Impact of strategic orientations (Innovation, Customer, Supplier, Network) and absorptive capacity on economic and environmental sustainability of Batik SMEs in Malaysia.	Quantitative, Cross-sectional survey (n=213 SMEs), Statistical analysis.	Innovation orientation, customer orientation, and absorptive capacity significantly enhance economic sustainability, which in turn improves environmental sustainability. Supplier and network orientation had positive but insignificant effects.
Santoso	2021	Impact of entrepreneurial orientation and knowledge management on Batik SMEs'	Quantitative, Survey (n=45 SMEs), SPSS analysis.	Entrepreneurial orientation (innovation, proactiveness, risk-taking) significantly improves business

		business performance in Surakarta, Indonesia.		performance. Knowledge management did not significantly moderate the relationship.
Syed Shaharuddin et al.	2021	Review of Malaysian and Indonesian Batik production, challenges, and innovations in the 21st century.	Systematic Literature Review.	Traditional production methods persist. Batik SMEs face challenges like competition from printed textiles, raw material costs, and skilled labor shortages. Innovation through technology (e.g., IR4.0, AR) is suggested to improve sustainability and competitiveness.
Razali, H.M., Ibrahim, M., Omar, M., & Hashim, S.F.M.	2021	Challenges faced by Malaysian Batik SMEs and proposed solutions	Qualitative (literature analysis and field observation)	Highlighted issues such as external competition, technology adoption challenges, and skills transmission. Emphasized the need for strategic innovation and better management practices.
Razak, S., Nik Wan, N. Z., San, S., Saidi, N., Abdullah@Abd Aziz, A., Hussin, S. N. A., & Tumiran, S. D.	2023	Importance of management accounting for the sustainability of SMEs in Malaysia	Literature review and conceptual analysis	Management accounting practices (e.g., strategic cost management, performance measurement) are vital for long-term SME sustainability in Malaysia, but integration with innovation and technology is necessary.
Latif, S., Salleh, S. I. M., Ghani, M. A., & Ahmad, B.	2023	Role of management accounting systems in	Qualitative (13 semi-structured interviews; thematic analysis)	Management Accounting Systems help SMEs address economic

		achieving economic sustainability among Pakistani SMEs		sustainability through collective dynamic capabilities and accounting literacy; MAS plays a pivotal role in enhancing SME resilience.
Assad, S.N.B., Hamdan, N.B., & Zakaria, N.B.	2024	Impact of managerial accounting practices on financial performance	Systematic literature review using bibliometric analysis (VOSviewer)	Found mixed evidence regarding the impact of MAPs on financial performance, stressing the importance of adapting MAPs to business contexts.
Wibowo, N.M., Widiastuti, Y., Karsam, & Pancawati, I.	2024	Role of sustainability orientation and environmental performance in Batik SMEs' economic performance	Quantitative (SEM-PLS on 89 respondents from 32 SMEs)	Sustainability orientation enhances environmental performance, which indirectly improves economic performance. Environmental efforts are crucial for Batik SMEs' sustainable growth.
Razak, S., Wan, N. Z. N., San, S., Saidi, N., Abdullah, A., & Hussin, S. N. A.	2024	Development of a conceptual framework for Management Accounting Systems (MAS) to enhance SME performance	Conceptual paper using theoretical synthesis and literature review	MAS can significantly improve SMEs' decision-making, cost control, budgeting, strategic planning, and overall financial management, especially with the adoption of modern technologies.
Kurniawati, A., Hasanudin, F. H., Achmad, F., Abdurrahman, R., & Gurnita, R. F. A.	2025	Clustering Batik SMEs based on open innovation and environmental sustainability practices	Quantitative (K-Means clustering of 38 Batik SMEs in Rembang, Indonesia)	SMEs utilizing open innovation achieve higher environmental sustainability; external collaboration is crucial for improving sustainability outcomes.

Research Design and Methodology

This research would be conceptual and qualitative in nature. There will be no primary data collecting for this study because its main goal is to examine and summarize the current understanding of MAPs and how they affect the commercial performance of Malaysian Batik Industry. In order to create a theoretical framework that directs upcoming empirical research, it will instead concentrate on examining and evaluating secondary sources.

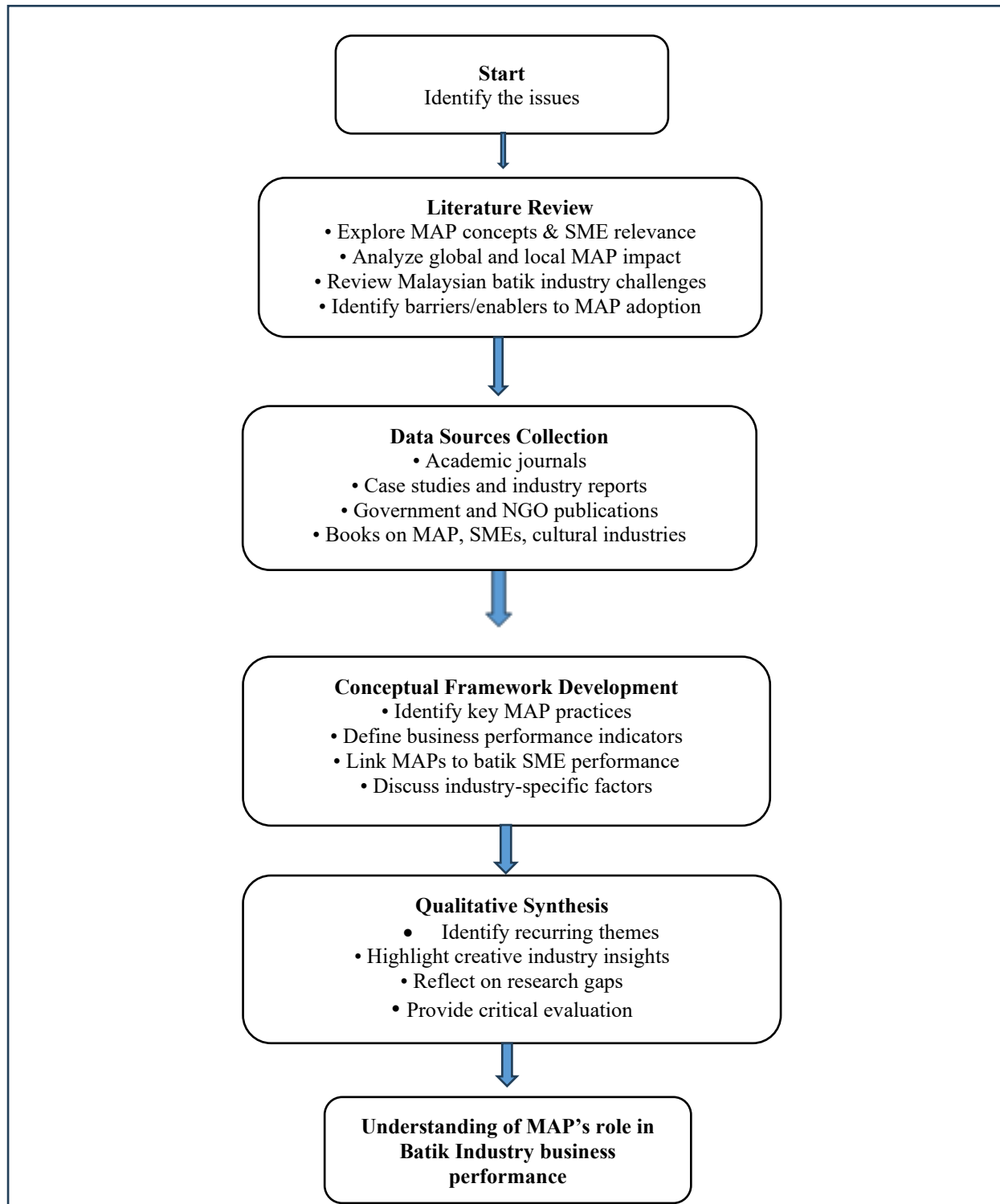


Figure 1: The Process of Methodology

Finding

Based on the synthesis of scholarly literature, industry-specific challenges, and theoretical foundations, the key findings of this conceptual paper are as follows:

Table 2: Summary of the Finding

Bil	Finding	Description
1.	MAPs can enhance business performance in Batik Industry	Financial performance, operational effectiveness, and strategic decision-making in Malaysian Batik Industry can all be enhanced by the implementation of Management Accounting Practices (MAPs), which include forecasting, cost control, performance evaluation, and budgeting.
2.	Adoption of MAPs is low among Batik Industry	The use of MAPs by small SMEs is still somewhat low, despite their documented advantages. Low financial literacy, unofficial business methods, cultural opposition, and a shortage of instruments tailored to the artisanal and creative characteristics of batik manufacturing are the main causes of this.
3.	Mediating and moderating factors are crucial	The effectiveness of MAPs is influenced by several mediating factors, including: <ul style="list-style-type: none"> • Owner/manager financial literacy • Access to accounting tools or software • Support from government initiatives • Training and advisory services Furthermore, the batik industry's unique features such as its small-scale manufacturing, artistic emphasis, and dependence on traditional skills act as moderating factors that influence whether MAPs can be implemented successfully.
4.	Contextualized MAP frameworks are required	The innovative business model of Batik Industry might not be well suited by traditional MAP frameworks. MAPs must be modified to consider the creative and cultural values ingrained in these companies as well as financial management.
5.	Strategic Alignment Can Lead to Sustainability	Integrating MAPs with business strategy allows Batik Industry to balance creativity with profitability, improve long-term planning, and respond more effectively to market trends to ensure greater sustainability and competitiveness.

Conclusion

In the context of Small and Medium Businesses (SMEs) involved in the Malaysian Batik Industry, this conceptual paper has investigated the complex relationship between Management Accounting Practices (MAPs) and business performance. Based on review of recent research, and contextual knowledge, the study emphasizes the strategic value of MAPs as instruments for improving long-term competitiveness, operational effectiveness, and financial sustainability. It makes the case that Batik Industry can gain a great deal from the application of MAPs such as cost control systems, budgeting, performance measurement, and strategic

financial planning, especially when negotiating the difficulties of scarce resources, shifting consumer demand, and escalating international competition.

Although MAPs have been shown to be beneficial in larger SME environments, their use in the batik industry is still restricted and scattered. Low financial literacy, informal management structures, cultural resistance to formalization, and the belief that accounting tools are unnecessary in creative and artisanal firms are some of the main implementation challenges identified in this article. The absence of industry-specific assistance and customized frameworks that align with the ideals and practical reality of traditional batik manufacturers contributes to these difficulties even further.

By highlighting the necessity of context-sensitive methods to financial management in cultural companies and bridging the gap between traditional craft-based sectors and contemporary management accounting, this study enhances scholarly discourse. Additionally, it provides useful insights for accounting professionals, SME development organizations, and legislators by promoting tailored training education systems, integrated accounting procedures, and coordinated policy efforts that facilitate MAP adoption without compromising the batik industry's artistic integrity.

Finally, this paper lays the groundwork for future empirical research aimed at testing and refining the proposed conceptual framework. Further details about how batik entrepreneurs view, apply, and modify MAPs as well as how these practices affect firm performance in both financial and non-financial domains may be obtained through field-based research. In addition to validating the conceptual model, this kind of study would help guide evidence-based policymaking and capacity-building programs, which would eventually support the long-term expansion of the Malaysian batik sector and the larger creative economy.

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