



Exploring The Use Of Knowledge-Based View In Accounting And The Business Environment

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ABSTRACT

This study aims to explore the benefits of a knowledge-based view in accounting practices and the business environment. The goal is to explain why the knowledge-based view can provide insight into the importance of knowledge management in the business environment. By using a literature review approach, we try to study previous research related to knowledge-based view theory in accounting practices and the business environment. The results show that KBV has proven its value in accounting practice by providing a better understanding of how organizational knowledge and expertise can be a source of competitive advantage, and lead to innovation in organizations more widely. This study contributes to the literature to explain why the usefulness of the knowledge-based view is important for explaining organizational innovation including in accounting practices and the business environment.

INTRODUCTION

A paradigm called Knowledge-based view (KBV) is used to understand and examine how organizational knowledge and expertise can be a source of competitive advantage. A knowledge-based approach provides direction for organizational innovations and trends and has a broad impact on management practices (Grant, 1996). This concept can be applied in various fields, including accounting, to understand how the knowledge possessed by an organization can provide significant benefits. Theory Knowledge-Based View (KBV) is related to the company's Resource-based Theory (RBT) and provides relevant theoretical understanding in supporting intellectual capital (Arwasan, 2020). KBV theory shows that the knowledge possessed by a company is the basis for the success of a business in operating its business activities.

In a rapidly changing corporate environment, the knowledge an organization possesses, such as an understanding of business processes, technology, markets, or finance, can be a significant asset and provide a competitive advantage. KBV emphasizes the importance of deep familiarity with accounting principles, rules, and financial reporting obligations in the accounting

context. According to Penrose (1959) planning, organizing, coordinating, evaluating, and managing resources are the tasks of human resources in managing a business. Difficulty in determining policies and decisions causes the failure of businesses run by low knowledge. Maximum knowledge in running a business will result in good performance. The distinctive characteristics of KBV in the knowledge business are of the greatest strategic importance. Knowledge is applied in production activities and procedures in business. Employees whose job is to produce, preserve, and disseminate information within the organization. Knowledge is the beginning of orchestrating an idea into knowledge and implementing it in an organization. In the application of accounting practices, the KBV concept is relevant in explaining changes in the accounting reporting environment which will result in changes in the accounting reporting paradigm (Triyono, 2000).

Even though conceptually, knowledge-based views play a role in improving company performance, Prasasti, (2023) states that knowledge of understanding accounting information systems does not affect MSME performance. This is in contrast to other research (Asiei, 2020; Govindarajan, 2018; Wasiluk, 2013). Therefore, it is important to examine how the use of KBV can explain the relationship between accounting knowledge and organizational performance. This research focuses on how accounting and the business environment develops, explained by the Knowledge-based view theory, and how knowledge creation and innovation develop in individuals and teams in the business environment.

LITERATURE REVIEW

Knowledge-Based View Theory is a modification of the resource-based view which shows that various forms of knowledge are of interest to resources (Grants, 1996). Resource Based View Theory merupakan teori yang mempertimbangkan kemampuan sumber daya internal perusahaan untuk dimanfaatkan sehingga menciptakan keunggulan yang kompetitif (Barney, 1991). This theory argues that the company's resource-based ideology is based on a basic knowledge-based ideology. However, the resource-based view does not convey a justification for proper knowledge.

KBV theory views that knowledge is the most important and strategic resource in a company. Knowledge can increase the effectiveness and efficiency of other tangible resources, resulting in increased company performance and the company will be more innovative (Maulana et al., 2022). In the context of MSMEs, resources are important, the success of MSMEs is very dependent on the ability to use knowledge to develop products, services and operating methods in the market (Tehseen & Ramayah, 2015). This research uses the KBV Theory to relate accounting knowledge to organizational performance.

METHODS

The research methodology used in this research is Systematic Literature Review (SLR), literature review is a systematic research method that compiles, evaluates, and analyzes relevant literature to identify findings and patterns that emerge in a research field. According to Phua (2010), the purpose of a systematic literature review is to offer a comprehensive inventory of all research on a particular topic or field of study. Kitchenham (2007) emphasized that a systematic literature review must follow a methodical methodology with three stages: preparation, review, and reporting in Sánchez-Aguayo, Urquiza-Aguiar, and Estrada-Jiménez (2021). The data used in this research was taken from articles indexed by Scopus. Scopus-indexed articles are obtained from Google Scholar using the Publish or Perish tool. In this study, article selection used two criteria. The first is the inclusion criteria, which are criteria or factors that will be used to find articles to be analyzed. Next, the second criterion is the exclusion criteria, the criteria used to determine whether an existing article should be excluded from the articles to be analyzed. The

inclusion criteria are as follows: articles on the topic Theory Knowledge Based View, article search via the Google Scholar database, articles published in 2018 – 2023, Scopus-indexed articles, and accessible articles. The literature selection process was carried out in stages, according to the technique of Sánchez-Aguayo, Urquiza-Aguiar, and Estrada-Jiménez (2021). Identification, screening, eligibility, and selecting the number of articles to be researched are four processes in the literature selection process. Based on searches using applications on the internet, 12,700 articles related to knowledge-based theory in accounting practice were obtained. This information was then narrowed down based on the publication year of the 2018-2023 observations, resulting in 9,050 articles. After further filtering, 40 articles were indexed by Scopus. The data was then sorted according to the research objectives to obtain 24 articles that would be used and analyzed further.

RESULTS

The results of the search process using inclusion and exclusion criteria were that 40 articles were found, but only 24 articles were taken which were articles that had been indexed by Scopus and were published in the last 5 years, namely 2018 - 2023, and had discussion topics related to "Theory Knowledge-Based View in Accounting Practice". The following are the types of journals that have been successfully obtained:

Table 1 Article Topic

No	Year	Topic	Journal
1	2020	Translating Knowledge Management Into: The Role of Performance Measurement Systems	Management Research Review
2	2018	The fall and rise of intellectual capital accounting: new prospects from the big data revolution	Meditari Research
3	2020	Directive 2014/95/EU: accountants' understanding and attitude towards mandatory non-financial disclosures in corporate reporting	Meditari Research
4	2018	Information vs knowledge corporate accountability in environmental, social, and governance issues	Accounting, auditing and accountability journal
5	2019	Measurement of the human capital applied to the business eco-innovation	Sustainability (Switzerland)
6	2023	Blockchain adoption in accounting by an extended UTAUT model: empirical evidence from an emerging economy	Journal of financial reporting and accounting
7	2021	The functioning of dynamic capabilities: explaining the role of organizational innovativeness and culture	European journal of innovation management
8	2023	Board diversity on firm performance from resource-based perspective: new evidence from Pakistan	Internal journal of productivity and performance
9	2022	Birth mode of family firms, family entering time and ramp: d investment: evidence from china	European journal of innovation management
10	2022	Environmental accounting in the finances of sustainable companies in Mexico	Revista de gestao social e Ambiental

11	2019	Allocation rules for joint replenishment and inventory sharing via transshipment	Procidea computer science
12	2023	From industry 4.0 adoption to innovation ambidexterity to firm performance: a MASEM analysis	European journal of innovation management
13	2022	The meaning and possibility of applying elements of Buddhist ethical accounting education in the Christian cultural circle	Zeszyty teoretyczne rachunkowosci
14	2021	Is the implementation of a system-information approach by vm. petrov a method for overcoming crises in psychology and other human sciences?	Psychology, journal of the higher
15	2020	Path analysis of perceived value influence on shopping satisfaction of online customers in the view of mental accounting	Revista argentina de clinica psicologica
16	2021	System information accounting on performance business small intermediate	Journal business and accounting
17	2019	Developing a Framework of an Innovative Supply Chain in Thai Manufacturing Firms: An Interaction of Social Capital Theory and Knowledge-Based View	International journal of supply chain management
18	2021	Big data and firm marketing performance: findings from knowledge-based view	Technological Forecasting and Social Change
19	2022	Analysis of Financial Digitalization On BUMDES As a Knowledge-Based View Perspective: (Case of BUMDES Bumirejo, Dampit, Malang Regency)	Dynasty internal journal of digital business management
20	2020	A Knowledge-Based View of Managing Dependence on a Key Customer: Survival and Growth Outcomes For Young Firms	Journal of Business Venturing
21	2021	Corporate social responsibility and SMEs' performance: the mediating role of Corporate image, corporate reputation and customer loyalty	International journal of emerging markets
22	2021	Propensity for and Quality of Intellectual Capital Divulgence Across the BRICS Banking Sector: A Knowledge-Based Perspective from Emerging Economies	Journal of the Knowledge Economy
23	2023	The role of environmental management accounting and environmental knowledge management practices influence on environmental performance: mediated-moderated model	Journal of Knowledge Management
24	2019	Level of Risk Management Practice in Malaysia Construction Industry from A Knowledge-Based Perspective	Journal of Architecture, Planning & Construction Management

Based on 24 articles reviewed based on 2018 – 2023, obtained articles regarding the topic of knowledge-based view theory in practice accountancy finance, system information accounting,

management accounting, and auditing. Based on the results seen in Table 3 show that Lots factor affecting that is as follows:

Table 2 Factors Use Theory Knowledge-Based View

No	Researcher	Sample	Variable
1	K. Asiaei	Use several information from some relevant PMS and CV literature	Balanced scorecard, Measurement performance, Performance organization
2	M. La Torre	Based on framework conceptual information informed by theory science decision.	Big data, capital intellectual, quality data, IC accounting
3	J. Krasodomska	73 accountants in 2018. And questionnaire consists of 86 divided questions in 9 fields main.	Education, CSR, profession accounting, type gender, bear it answer social company, non-financial disclosures
4	S. Du Rietz	From various literature about information accounting that provides visibility	Regulation, accountability, involvement information and ESG
5	R. Ortega-Lapiedra	Done study empirical about definition and measurement human capital	capital, accounting environment, innovation-friendly environment, and management knowledge.
6	MM Abu Afifa	With the use developed online questionnaire, data collected from responses from 317 working accountants at the company registered in Vietnam	Blockchain, Blockchain in accounting, digital accounting
7	S. Ghosh	Studies This uses a cross-sectional design and retrieval sample variation maximum For identifying an organization from population company formal Indian business with objective control effect variable moderate like size, age, nature business, and ownership.	Innovativeness organization, Capabilities innovation, Capability dynamic, cultural organization, Learning organization, Outlook-based knowledge.
8	I. Khan	The analysis was made using effects models random panel and method moment general (GMM) in 188 non-financial companies listed on the Pakistan Stock Exchange (PSX) during the period 2009–2020.	Corporate governance, board diversity, accounting-based performance, market-based performance, resource-based view theory, Pakistan
9	M. Zulfiqar	Collected 2,990 observations year company from company A-share registered families in China from 2008 to 2016 in the China Stock Market and Accounting Research database.	R&D Investment, Outlook-based source power, Theory agency behavior

10	S.S. Martinez	Investigation was literary in nature. Report sustainability and finance 2020 report from 19 companies studied. For correlation variables, Spearman's Rho coefficient is used.	Accountancy Environment, Profitability Finance, Sustainable Enterprise, Source Power Nature.
11	X. Shi	Based on historical data product cycle life short	Cycle life short product, Charging together, share inventory, Allocation cost.
12	S. Oduro	113 studies in 115 samples independent with 192.188 observations.	Industry 4.0, Innovation Ambidexterity, Performance Company, MASEM
13	M. Czerny	From literature and comparison used nawcza.	Buddhism, models, ethics, education, accounting.
14	VM Rozin	Analyze the article by VM Petrov, published in the journal "World of Psychology",	Systems, approach system, eyes lessons, discipline science, scheme, ideal object, concept, reconstruction, practice
15	y. Zhao	Based on the survey, empirical and developing four dimensions main from certain influencing websites experience and satisfaction shop consumer.	Perceived value customers, accounting mental, satisfaction shopping customer, analysis track
16	Nanik Ermawati & Nurul rizka arumsari	94 Micro businesses small and medium enterprises (UMKM) Kudus Regency	SME performance, understanding of system information accounting, application system information accounting, knowledge accounting, ability to entrepreneurship
17	Boonsri suteerachai, akarpitta meechaiwong, pomkul suksod, kittisak jemsittiparsert	525 companies Thai manufacturing	Innovation SC and PIP partners
18	Gupta, S., Justy, T., Kamboj, S., Kumar, A., & Kristoffersen, E.	Individual holding positions peak in various company industries in India	Big data, performance marketing
19	Kustiningsih, N	Employee Bumdes, leaders, and customers bumdes seen from competence of each individual, internal structure, and structure external	
20	Yli-Renko, H., Denoo, L., & Janakiraman, R	Young company-based technology in the UK	Experience, learning, continuity life company
21	Than Tiep Le	482 MSMEs in Vietnam in 2020-2021 which includes executive	CSR, role mediation image company, reputation company, and loyalty

		tops, managers, and experts.	company.
22	Wasim ul Rehman, Suleyman Degirmen, Fareeha Waseem	Annual Report and websites of the 10 largest BRICS banks	Trend and quality patterns from intellectual capital (IC) disclosure
23	Bresciani, S., Rehman, S.U., Giovando, G., & Alam, G.M.	Working organization via EMA and GWCP located in Pakistan	Environmental management accounting, practice management knowledge environment
24	Manal Suliman Omer, AQ Adeleke and Chia Kuang Lee		Risk management, function modeling, evaluation effectiveness comparative, quality

DISCUSSION

Based on the results of the review in the table 3, it is proven that KBV is used and supports studies in the scope of accounting or finance, such as environmental accounting, financial accounting, management accounting, and behavioral accounting. According to (Asiaei, 2020), the company's KBV states that an organization's existence depends on its superior ability to combine various knowledge courses, assign existing knowledge to tasks as well as generate new knowledge. KBV is expected to be able to explain the relationship between variables that are fit-as-mediation in the relationship between factors related to knowledge that can encourage the use of diversity of performance measures, and whether diversity of performance measures mediates the relationship between knowledge factors and organizational performance. This is based on the view of different strategic initiatives and practices of companies because knowledge management can determine the implementation of different managerial processes. KBV can explain why knowledge management (KM) elements can play a role in determining the structure and implementation of managerial processes in companies. In the KBV view, knowledge management is a procedure by which a company's capacity grows through the systematic collection, integration, utilization, and preservation of assets.

Then, according to Wasiluk, (2013), from the lens of intellectual capital and KBV, organizations need to go beyond the eco-efficiency stage of business sustainability by mobilizing their knowledge resources towards companies that are more ecologically sustainable and socially just. In applying accounting practices (Govindarajan, 2018) argues that traditional financial accounting practices do not work well for digital companies. This is due to intangible investments, for example, brands, organizational strategies, networks, customer and social relationships, computerized data, and software, which although superior to physical assets, are not represented in financial statements (Govindarajan et al., 2018).

KBV supports several uses of accounting to gain sustainable competitive advantage (Felin, 2007). Fellin & Hesterly show that the role of knowledge-based theory makes it clear that the formation of knowledge (knowledge creation) and new values is more visible in heterogeneous individuals in organizations than in collectivist groups. The use of KBV in accounting practice can describe a knowledge-based view of finance that can help every financial/accounting practice of an organization (Venkatraman, 1986). Then according to (Bontis, 1999), every accounting practice that uses KBV theory is developed through individual or organizational practice. Therefore, individual and organizational knowledge plays a role in developing accounting sustainability. A business will be successful if it is carried out by a businessman who masters knowledge about the scope of his business, in other words, a company that can utilize knowledge of its business accounting information system can improve its business performance (Ermawati, 2021).

Knowledge embedded in human resources as an intangible asset in an organization is more than just the intellectual capital of a business (Kustiningsih, 2022). The knowledge utilized in managing CSR becomes a strategic tool for providing internal and external benefits in various ways (Le, 2022). Therefore, the KBV concept needs to be identified and developed to support improved business performance.

KBV theory is in line that IC reporting in BRICS banks is voluntary and not much influenced by institutional factors, whereas resource-based institutional factors can influence the IC disclosure practices of BRICS banks (Rehman, 2021). Findings supported by KBV are that intangible resources, namely environmental EMA and KM practices, can determine environmental performance (Bresciani, 2023). Therefore, from the KBV view avoiding organizational costs can reduce the same mistakes that will lead to increased construction work performance in the company when included as part of the organization's strategic plan (Omer, 2019).

CONCLUSION

Based on the results above, it can be concluded that KBV can explain why accounting practices and the business environment can foster innovation and development and encourage increased organizational performance. KBV has also proven its value in accounting practice by providing a better understanding of how organizational knowledge and expertise can be a source of competitive advantage. By leveraging knowledge of accounting practices, and financial reporting requirements, organizations can improve their accounting information systems, improve the quality of financial reports, and increase auditors' ability to identify risk and fraud. In addition, investing in developing employee knowledge and competence can also help organizations create a competent team in the accounting field.

Suggestion

There are suggestions for further research to expand and deepen this research so that it is more complex. Then you can also add variables or modify this research to make it quantitative research.

REFERENCES

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