








# “The role of outsourced accounting services in enhancing SMEs’ business performance”

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# THE ROLE OF OUTSOURCED ACCOUNTING SERVICES IN ENHANCING SMEs' BUSINESS PERFORMANCE

## Abstract

In Vietnam, nearly 98% of operating companies are small and medium-sized enterprises (SMEs), the majority of which rely on outsourced accounting services (OAS) rather than in-house accounting departments. Despite the widespread use of OAS, limited research exists on the tangible benefits these services provide. This study investigates the factors associated with SME performance, focusing on the impact of routine, non-routine, and advisory accounting services. Data were collected via questionnaire from 358 respondents across 176 SMEs in Da Nang between October and December 2024. Of these enterprises, 56% were small, 33% were micro, and 11% were medium-sized firms. Respondents were predominantly male (63%), aged 36–45 (32%), with 5–10 years of experience (50%); 34% held director roles, while 66% were vice directors. Using the PLS-SEM method, the study explores the relationship between outsourced accounting services, compliance benefits, management benefits, and operational performance. Findings reveal that both routine and advisory services significantly influence compliance and management benefits, which in turn enhance business performance. Non-routine services positively affect management benefits but do not significantly influence compliance benefits. The mediating role of compliance and management benefits is confirmed across all service categories. The study offers theoretical insights and practical recommendations for SMEs to effectively utilize outsourced accounting services and improve operational outcomes.

## Keywords

management, small and medium enterprises, operational efficiency, Vietnam

## JEL Classification

L25, M41, M19

## INTRODUCTION

In Vietnam, accounting business service is a business sector that requires service providers to fully comply with legal conditions, including authorization and approval from state management agencies. These requirements ensure that enterprises fulfill their obligations and adhere to Vietnamese law.

Currently, the trend of small and medium enterprises in Vietnam is to apply outsourced accounting services (Nguyen et al., 2024). This trend arises from several factors. Firstly, newly established enterprises often encounter difficulties in handling tax accounting issues, performing initial accounting procedures, preparing periodic tax reports, maintaining accounting records, and tax settlements (Lai & Arifin, 2011). Secondly, for long-operated enterprises, the cost of hiring experienced accountants can become a financial burden (Sweeney et al., 2010). Moreover, workforce fluctuations in the accounting industry can disrupt business operations (Sweeney et al., 2010). Therefore, outsourcing accounting services becomes the optimal solution for SMEs to save costs and maintain operational stability.

Enterprise performance is one of the widely studied topics, including financial and non-financial aspects (Tazilah et al., 2019). Several studies suggest that outsourcing accounting services help SMEs sustain competitive advantages (Kipsang & Mwangi, 2017). In addition, SMEs require professional accounting advice and support to enhance their operational efficiency (Husin & Ibrahim, 2014).

In Da Nang, Vietnam, SMEs account for a significant proportion of the business landscape, mainly operating in the fields of commercial services and industrial production sectors (Trinh & Thanh, 2017). As the role of SMEs becomes increasingly important in economic growth, compliance with accounting regulations becomes an urgent requirement. Therefore, outsourced accounting services play an increasingly vital role in assisting businesses with their financial and legal obligations.

Numerous international studies have identified a positive relationship between outsourced accounting services (OAS) and business performance. Feyitimi et al. (2016) found a significant relationship between the use of accounting services and the financial performance of SMEs in Nigeria. Similarly, Cahyaningtyas and Ningtyas (2020) confirmed the positive impact of outsourced accounting services on the performance of SMEs in Indonesia. Gyamera et al. (2023) demonstrated that firms that use accounting services have higher financial growth than those that do not. In Nigeria, Feyitimi et al. (2016) found that outsourcing accounting services provides SMEs with cost and profit benefits. However, in Vietnam, studies on the impact of outsourced accounting services on the business performance of SMEs are still limited.

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## 1. LITERATURE REVIEW

### 1.1. Theoretical background

The resource-based theory (RBT) originates from the work of Penrose (1959) and was further developed through the studies of Hafeez (2013) and Kamyabi and Devi (2011b). According to Marriott et al. (2008), RBT provides a foundation for evaluating key factors that influence the outsourcing of accounting services (OASs) in SMEs. Three key factors of RBT applied to OASs in SMEs. First, the knowledge and expertise of accountants directly impact business performance (Husin and Ibrahim, 2014). Second, RBT emphasizes that competence is one of the most valuable assets for improving business efficiency (Choe et al., 1997). Third, smaller enterprises tend to outsource accounting services to enhance their competitiveness as they expand into new markets (Mohammed & Adamu, 2020). Since SMEs often lack in-house accounting professionals, outsourcing accounting services helps fill the internal resource gap (Marriott et al., 2008). In the accounting context, resources primarily refer to knowledge and technical expertise. Therefore, RBT provides a theoretical foundation to assess the impact of OASs on SME performance (Irwin et al., 1998).

The dynamic capabilities theory extends from the resource-based theory, emphasizing the flexibility in resource management to help businesses adapt to an ever-changing business environment (Tece et al., 1997). Some perspectives suggest that OASs can be considered a form of dynamic capability, as their use requires a high degree of adaptability to support business strategies and respond quickly to market fluctuations (Døving & Gooderham, 2008; Wilden et al., 2019). In the accounting context, the dynamic capabilities theory highlights the following points. First, OASs help reduce costs and play a strategic advisory role for SMEs (N. Marriott & P. Marriott, 2000). Second, SMEs tend to spend more on business consulting services rather than just using traditional accounting services (Salvador et al., 2019). Third, OASs support businesses in efficiently allocating resources, ensuring that resources are invested in the highest value-generating activities (Blackburn & Jarvis, 2010).

In conclusion, two theories emphasize the crucial role of resource adjustment and optimization in enhancing business performance. In this context, OASs play a crucial role in supporting decision-making and improving the financial efficiency of SMEs.

## 1.2. Outsourced accounting services and business performance: Definitions, literature review, and research model

In Vietnam, OASs emerged in 1991 and have since grown rapidly in scale, diversity, and service quality, aligning with international practices and domestic conditions (Nguyen et al., 2024). In this study, OASs are categorized into three main groups: routine accounting services, non-routine accounting services, and consulting services (Appendix A, Table A1). Business performance is a widely studied concept in management, finance, and accounting research, approached from various perspectives (Brignall, 2008). According to Lebas and Euske (2006), performance is measured through both financial and non-financial indicators, is dynamic, and depends on the evaluation criteria of different stakeholders and areas of responsibility. In summary, business performance reflects the degree to which a company achieves its objectives and is closely tied to stakeholder interests.

In addition, small enterprises are considered more vulnerable than larger firms due to their limitation in necessary resources and capabilities for survival and growth (Bohorquez-Lopez et al., 2024). Given these resource gaps, SMEs are often compelled to optimize the use of external resources to reduce costs and improve their advantages. External outsourced accounting services providers are expected to continuously develop their expertise and experience to maintain professional support for SMEs (Everaert et al., 2006).

Advisory services may increase compliance and managerial benefits, which can be explained by the following reasons. SMEs require accountants to act as reliable advisors, providing financial management support, business consulting, and legal compliance guidance to enhance operational efficiency to compete globally (Husin & Ibrahim, 2014). OASs help SMEs maintain a competitive advantage, reduce costs, enhance adaptability to the business environment, and mitigate technological risks (Poulaki et al., 2024; Rezazade et al., 2023). As a result, they have become increasingly

popular, with outsourced accountants serving as professional advisors for SMEs (Rezazade et al., 2023). Besides, the role of accounting has evolved over time from the traditional “money counter” or bookkeeper to a more strategic advisory role (Jones & Abraham, 2009). There has been a shift from merely providing financial information to facilitating broader business insights (Osadchy et al., 2018), leading to expectations that outsourced accounting services will gradually transition into business advisory services (Jones & Abraham, 2009). Accordingly, OASs have expanded their scope to include various consulting services (Kamyabi & Devi, 2024).

Moreover, several studies have confirmed a relationship between the use of routine and non-routine outsourced accounting services (i.e., services performed daily, weekly, monthly, or annually) and business performance (Kamyabi & Devi, 2011a). SMEs commonly rely on routine accounting services, including tax filing, monthly financial reporting, auditing, and independent assessments conducted on a monthly or annual basis. Based on the arguments presented, the widely accepted view is that SMEs primarily gain compliance benefits but fewer managerial benefits from routine accounting services. Therefore, routine accounting services and non-accounting services have positive effects on compliance benefits and managerial benefits.

According to Carey (2015), SMEs should engage external accountants for direct advisory support to enhance business efficiency. Similarly, Takacs et al. (2022) conclude that external support and advisory services are valuable for small business owners as they help compensate for the lack of human capital, thus mitigating potential business management issues. Research evidence suggests that seeking external advice improves SMEs’ learning capabilities and enhances their future decision-making processes (Sian & Roberts, 2009). Consequently, outsourced accounting services can provide a wide range of competencies that support the intangible resources of SMEs (Barbera & Hasso, 2013). Based on these arguments, the widely accepted perspective is that SMEs derive significant compliance and managerial benefits from using outsourced accounting services and consulting services.

Kamyabi and Devi (2011a) and Carey (2015) have hypothesized a positive relationship between seeking business advisory services and financial performance. However, the results remain mixed and inconclusive, allowing for additional exploration into the actual benefits of consulting and outsourced accounting services in general. Despite the growth of advisory services provided by accountants, SMEs have not fully recognized all the potential benefits (N. Marriott & P. Marriott, 2000). Research also indicates that SMEs remain limited in their proactive efforts to seek OASs and advisory services (Sirdar et al., 2024).

Leung et al. (2010) found that in developed countries, SMEs play a critical role with a broad professional scope, covering not only traditional capabilities (e.g., financial management, taxation) but also non-traditional skills (e.g., regulatory compliance, business consulting, and other operational areas). Additionally, this study found that in emerging economies, particularly in China and South Africa, SMEs rely heavily on external outsourced accounting services and business consulting services. In South Africa, outsourced accounting services providers must focus on expanding their advisory services to clients to deliver operational efficiency. Unlike conventional accounting services, consulting services are con-

sidered non-routine, as they are offered temporarily or on an as-needed basis (Everaert et al., 2007). Therefore, the frequency with which SMEs utilize these services may influence the benefits received.

To summarize, the literature review has concluded that the benefits obtained from OASs are significantly related to business performance. Therefore, based on RBT theory and prior studies, this paper explores the relationship between outsourced accounting services and business performance, as well as the mediating role of governance and compliance benefits in the research model. It also proposes policy implications suitable for the operational practices of SMEs in Da Nang.

Based on previous research, the following research framework (Figure 1) and hypotheses were formulated for this study:

- H1: Routine outsourced accounting services increase compliance benefits.
- H2: Routine outsourced accounting services increase managerial benefits.
- H3: Non-routine outsourced accounting services increase compliance benefits.
- H4: Non-routine outsourced accounting services increase managerial benefits.
- H5: Advisory services increase compliance benefits.
- H6: Advisory services increase managerial benefits.
- H7: Compliance benefits increase business performance.
- H8: Management benefits increase business performance.

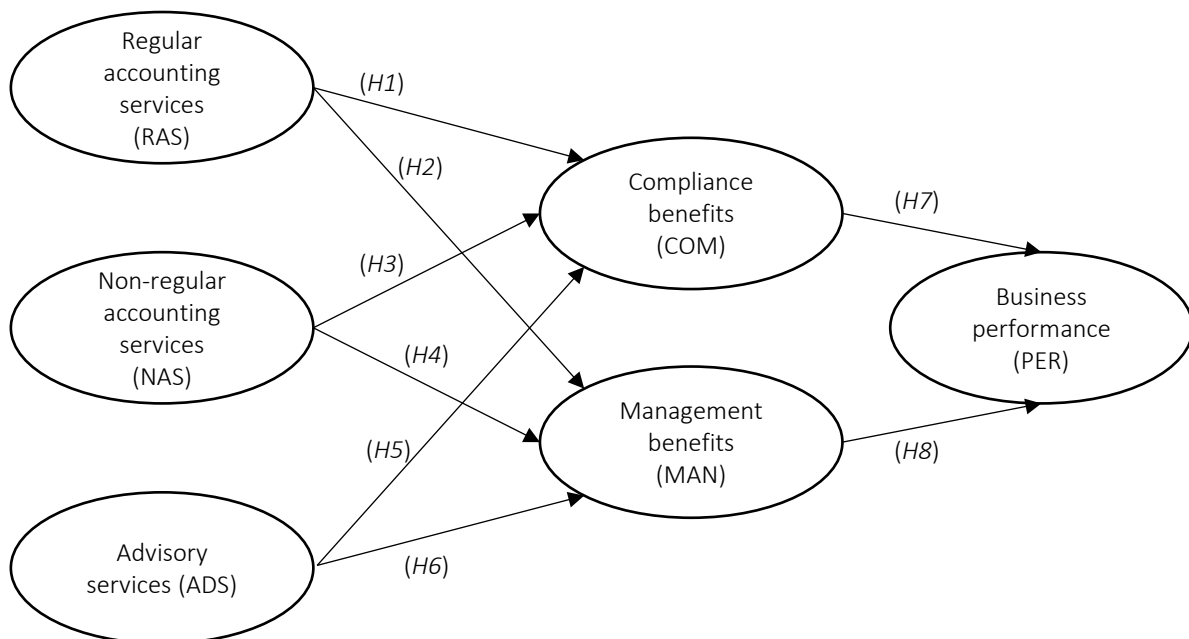


Figure 1. Conceptual model

- H4: *Non-routine outsourced accounting services increase managerial benefits.*
- H5: *Advisory services increase compliance benefits.*
- H6: *Advisory services increase managerial benefits.*
- H7: *Compliance benefits increase business performance.*
- H8: *Managerial benefits increase business performance.*
- H9: *Compliance benefits mediate the relationship between routine outsourced accounting services and business performance.*
- H10: *Compliance benefits mediate the relationship between non-routine outsourced accounting services and business performance.*
- H11: *Compliance benefits mediate the relationship between consulting services and business performance.*
- H12: *Managerial benefits mediate the relationship between routine outsourced accounting services and business performance.*
- H13: *Managerial benefits mediate the relationship between non-routine outsourced accounting services and operational performance.*
- H14: *Managerial benefits mediate the relationship between consulting services and operational performance.*

## 2. METHODOLOGY

The survey questions on routine accounting services, non-routine accounting services, advisory services, compliance benefits, managerial benefits, and operational performance were adapted from previous studies (Appendix A, Table A1). Based on expert feedback, the questionnaire was refined to ensure relevance to the Vietnamese context and clarity for the survey respondents. The five-level Likert scale, ranging from 1 (Never Used) to 5 (Always Used) was used (Appendix A, Table A2).

Next, the research team collected a list of SMEs' names and addresses from the 2023 Business White Paper and data from the Da Nang Statistics Office. Due to time and budget constraints, the study employed non-probability sampling, specifically convenience sampling combined with the snowball sampling technique. A total of 176 enterprises were selected, and their characteristics are presented in Table 1.

**Table 1.** Statistics of enterprises

A	Capital	Number of enterprises	Percent
1	Micro-sized enterprises	58	32.95%
2	Small enterprises	98	55.68%
3	Medium enterprises	20	11.37%
B	Establishment time	Number of enterprises	Percent
1	< 5 years	35	19.89%
2	5–10 years	101	57.39%
3	>10 years	40	22.72%
	Total	176	100%

The survey participants included CEOs, deputy directors, and financial accounting managers from micro-sized, small, and medium-sized enterprises. The online survey was sent via email to these individuals. As a result, 358 participants agreed to participate and completed the survey. The detailed information of the respondents is shown in Table 2.

**Table 2.** Characteristics of respondents

Characteristic	Items	Frequency (n = 358)	Percentage
Gender	Male	225	62.8
	Female	133	37.2
Age range	26–35	91	25.4
	36–45	115	32.1
	46–55	104	29.1
	Over 55	48	13.4
Working experience	Under five years	88	24.6
	5–10 years	181	50.5
	Over ten years	89	24.9
Career position	Director	122	34.1
	Vice Director	236	65.9

The data collection period lasted from October 2024 to December 2024. A total of 358 respondents

es were included in the data analysis. The data were analyzed using the partial least squares structural equation modeling (PLS-SEM) method, utilizing SmartPLS 4.0 software to test the hypotheses and achieve the research objectives. PLS-SEM was chosen as the analytical method because it is widely used in social science research, particularly when working with non-normally distributed data and small sample sizes (Hair et al., 2022). The data analysis process consisted of the following steps:

1. Descriptive statistical analysis
2. Evaluation of the reliability and validity of observed variables:
  - Outer loading values must be  $\geq 0.7$  to ensure statistical significance; if below 0.4, the variable is removed from the model (Hair et al., 2018).
  - Scale reliability is assessed using Cronbach's Alpha and Composite Reliability (CR), with a required value  $> 0.7$  (Hair et al., 2018; Ingenhoff & Buhmann, 2016).
  - Convergent validity is evaluated through Average Variance Extracted (AVE) and Factor Loadings (FL), where observed variables must have a loading factor  $\geq 0.7$  and  $AVE \geq 0.5$  (Fornell & Larcker, 1981).
3. Discriminant validity is assessed using the Heterotrait-Monotrait Ratio (HTMT). According to Henseler et al. (2015), the HTMT value should be  $< 0.85$ .
4. Model testing using the PLS-SEM method.

### 3. RESULTS AND DISCUSSION

Table 3 shows the outer loading coefficient. The observed variable MAN1 has an outer loading coefficient  $< 0.7$ , so it is removed from the model. The results were re-analyzed and shown in Table 4. All observed variables have outer loading coefficients  $> 0.7$ , so the indicator contributes significantly to the construction.

**Table 3.** Outer loadings – Matrix

	ADS	COM	MAN	NAS	PER	RAS
ADS1	0.787					
ADS2	0.79					
ADS3	0.793					
ADS4	0.811					
COM1		0.86				
COM2		0.793				
COM3		0.858				
COM4		0.78				
MAN1			-0.11			
MAN2			0.819			
MAN3			0.847			
MAN4			0.825			
NAS1				0.81		
NAS2				0.786		
NAS3				0.72		
NAS4				0.807		
PER1					0.811	
PER2					0.836	
PER3					0.866	
PER4					0.846	
RAS1						0.816
RAS2						0.786
RAS3						0.765
RAS4						0.79

Note: RAS = Routine accounting services; NAS = Non-routine accounting services; ADS = Advisory services; COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.

**Table 4.** Outer loadings – Matrix after dropping MAN1

	ADS	COM	MAN	NAS	PER	RAS
ADS1	0.786					
ADS2	0.791					
ADS3	0.793					
ADS4	0.811					
COM1		0.86				
COM2		0.793				
COM3		0.858				
COM4		0.78				
MAN2			0.818			
MAN3			0.849			
MAN4			0.829			
NAS1				0.809		
NAS2				0.787		
NAS3				0.72		
NAS4				0.807		
PER1					0.811	
PER2					0.836	
PER3					0.866	
PER4					0.846	
RAS1						0.816
RAS2						0.786
RAS3						0.765
RAS4						0.789

Note: RAS = Routine accounting services; NAS = Non-routine accounting services; ADS = Advisory services; COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.

Table 5 shows the quality assessment indicators of observed variables, showing that Cronbach's Alpha is 0.70 and less than 0.95. Furthermore,  $CR > 0.70$  leads to  $AVE > 0.50$ , meeting the recommended threshold. This confirms that the scales used in the study achieved convergence.

Table 6 shows the discriminant validity of the scale using the HTMT index. The values of the HTMT index of each construct are lower than 0.85. Therefore, the criteria for discriminant validity established for HTMT are all met.

Table 7 presents the collinearity of the observed variables. All VIF coefficients are below the threshold of 5, with a maximum value of 1.509 (less than

5) and a minimum value of 1.275 (greater than 0.2), indicating that the latent variables do not exhibit multicollinearity (Lowry & Gaskin, 2014). The scales used in the research model demonstrate high reliability and validity. Furthermore, there are no signs of multicollinearity. Consequently, these scales are utilized in structural model analysis.

### 3.1. PLS-SEM model

The evaluation of the structural model path coefficients of the model was performed using the bootstrapping method. The study used a non-parametric bootstrap procedure for observations, repeated 5,000 times to ensure the requirement of testing the linear structural model, with the results shown in Figure 3.

**Table 5.** Reliability and validity of observed variables

Variables	Items	Factor loadings (>0.7)	Cronbach's Alpha (>0.7)	CR (>0.7)	AVE (>0.5)	Pa	Pc
Routine accounting services	RAS1	0.816	0.798	0.868	0.623	0.8	0.868
	RAS2	0.786					
	RAS3	0.765					
	RAS4	0.789					
Non-routine accounting services	NAS1	0.809	0.789	0.862	0.611	0.8	0.862
	NAS2	0.787					
	NAS3	0.72					
	NAS4	0.807					
Advisory services	ADS1	0.786	0.806	0.873	0.632	0.806	0.873
	ADS2	0.791					
	ADS3	0.793					
	ADS4	0.811					
Compliance benefits	COM1	0.86	0.841	0.849	0.678	0.846	0.894
	COM2	0.793					
	COM3	0.858					
	COM4	0.78					
Management benefits	MAN2	0.818	0.778	0.871	0.692	0.779	0.871
	MAN3	0.849					
	MAN4	0.829					
	PER1	0.811					
Operational performance	PER2	0.836	0.861	0.906	0.706	0.862	0.906
	PER3	0.866					
	PER4	0.846					

**Table 6.** Heterotrait-monotrait ratio (HTMT)

	ADS	COM	MAN	NAS	PER	RAS
ADS						
COM	0.637					
MAN	0.681	0.716				
NAS	0.442	0.758	0.402			
PER	0.661	0.824	0.767	0.592		
RAS	0.536	0.826	0.566	0.528	0.636	

Note: RAS = Routine accounting services; NAS = Non-routine accounting services; ADS = Advisory services; COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.

**Table 7.** Coefficients of variance

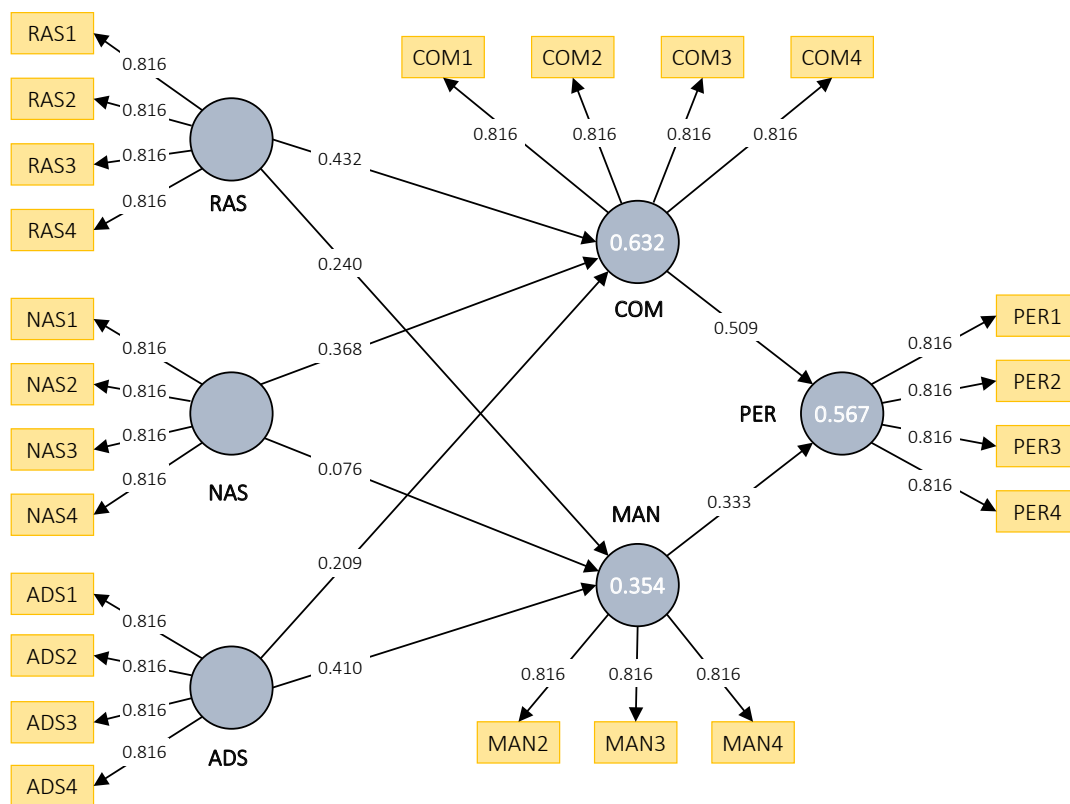
	ADS	COM	MAN	NAS	PER	RAS
ADS		1.285	1.285			
COM					1.509	
MAN					1.509	
NAS		1.275	1.275			
PER						
RAS		1.369	1.369			

Note: RAS = Routine accounting services; NAS = Non-routine accounting services; ADS = Advisory services; COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.

**Table 8.** Results of hypothesis testing

Hypothesis	Relationships	B	Standard deviation	T value	P-value (<0.05)	Results
H1	RAS → COM	0.432	0.034	12.725	0.000	Accepted
H2	RAS → MAN	0.240	0.048	4.975	0.000	Accepted
H3	NAS → COM	0.368	0.031	11.945	0.000	Accepted
H4	NAS → MAN	0.076	0.049	1.532	0.126	Rejected
H5	ADS → COM	0.209	0.038	5.44	0.000	Accepted
H6	ADS → MAN	0.410	0.042	9.694	0.000	Accepted
H7	COM → PER	0.509	0.035	14.415	0.000	Accepted
H8	MAN → PER	0.333	0.039	8.466	0.000	Accepted
H9	ADS → COM → PER	0.106	0.022	4.911	0.000	Accepted
H10	NAS → COM → PER	0.187	0.02	9.311	0.000	Accepted
H11	ADS → COM → PER	0.220	0.018	9.68	0.000	Accepted
H12	RAS → MAN → PER	0.080	0.017	4.389	0.000	Accepted
H13	NAS → MAN → PER	0.025	0.023	1.484	0.138	Rejected
H14	ADS → MAN → PER	0.137	0.023	5.851	0.000	Accepted

Note: RAS = Routine accounting services; NAS = Non-routine accounting services; ADS = Advisory services; COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.



Note: RAS = Routine accounting services; NAS = Non-routine accounting services; ADS = Advisory services; COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.

**Figure 2.** PLS-SEM model

**Table 9.**  $R^2$  and adjusted  $R^2$ 

Variables	$R^2$	Adjusted $R^2$
COM	0.632	0.629
MAN	0.354	0.348
PER	0.567	0.565

Note: COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.

The results summarized in Table 8 show that the confidence intervals calculated from the bootstrap procedure (bootstrap confidence intervals) of the effects taken from the confidence intervals card do not contain the value 0. This result confirms that the estimated path values are reliable (Hair et al., 2022). Thus, the research hypotheses are all supported by the data.

Besides, Table 8 also shows the indirect impact of using accounting services on operational performance through mediator variables. Advisory services, routine accounting services, and non-routine accounting services significantly influence operational performance through compliance benefits, while only advisory and routine accounting services do so through management benefits.

In addition to evaluating the suitability of the model, the coefficients of determination are also used:  $R^2$ , adjusted  $R^2$ , and  $f^2$ . The results of the study show that the  $R^2$  values are all in the range of 0.33 to 0.67, so the level of explanation is moderate. The  $R^2$  value of PER is 0.567, which is greater than 0.26, so the constructs have a large influence on the model. The adjusted  $R^2$  value of PER is 0.565, indicating that 56.5% of the variation in PER can be explained by COM and MAN.

Table 10 shows the result of  $f^2$ . As for the independent variables of COM, the RAS variable has a strong effect (0.369), the NAS variable has a moderate effect (0.298), and the ADS variable has a small effect (0.092). As for the independent variables of MAN, the ADS variable has a moderate effect (0.203), while the NAS and RAS variables have small effects (0.007 and 0.065). As for the independent variables of PER, the COM variable has a strong effect (0.397), while the MAN variable has a moderate effect (0.17).

Table 11 indicates the results of  $Q^2$ . The  $Q^2$  values of the dependent variables are all greater than 0, proving the predictive capability of the model. The predictive capability of the model, which includes the

dependent variables PER, COM, and MAN, is at a moderate level because the  $Q^2$  values fall within the range [0.2; 0.5].

**Table 10.**  $f^2$ 

	ADS	COM	MAN	NAS	PER	RAS
ADS		0.092	0.203			
COM					0.397	
MAN					0.17	
NAS		0.289	0.007			
PER						
RAS		0.369	0.065			

Note: RAS = Routine accounting services; NAS = Non-routine accounting services; ADS = Advisory services; COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.

**Table 11.**  $Q^2$ 

Variables	SSO	SSE	$Q^2 (=1-SSE/SSO)$
ADS	1432	1432	0
COM	1432	828.212	0.422
MAN	1074	816.47	0.25
NAS	1432	1432	0
PER	1432	865.288	0.396
RAS	1432	1432	0

Note: RAS = Routine accounting services; NAS = Non-routine accounting services; ADS = Advisory services; COM = Compliance benefits; MAN = Management benefit; PER = Operational performance.

From all the above evidence, this study has demonstrated that the PLS model is confirmed to be a model that fits the data very well.

The test results show that the regular use of OAS has a positive impact on compliance and management benefits. This finding aligns with earlier research conducted by H $\text{anh}$  (2022), Oosthuizen et al. (2020), and Rezazade et al. (2023). Regular use of OAS helps SMEs better comply with state regulations, tax authorities, and stakeholder requirements, ensuring the accuracy and reliability of accounting and tax information while minimizing the risk of errors and losses. In addition, firm managers can focus more on core business activities such as expanding markets and improving product and service quality.

The result also shows that the use of non-routine accounting services has a positive impact on compliance benefits, consistent with the studies of Oosthuizen et al. (2020) and Diên and Ngọc (2024). It means services such as VAT and corporate income tax declarations, year-end financial reporting, tax consulting, and tax settlement all contribute to helping businesses comply with legal regulations better. However, the study confirms that non-routine accounting services do not have a significant impact on management benefits. According to Oosthuizen et al. (2020), the reason may be that these services are only provided temporarily, resulting in insufficient frequency of use to have a significant impact on businesses' governance activities.

In addition, the finding identifies that the use of advisory services has a positive impact on both compliance and management benefits. This finding is in agreement with the research conducted by Oosthuizen et al. (2020) and Diên and Ngọc (2024). According to Bennett et al. (2000), advisory services for SMEs are closely related to business strategies and goals, often providing guidance rather than basic information.

Finally, the results show that compliance and management benefits have a positive impact on operational performance. This finding is consistent with previous studies by Carey (2015), Kipsang and Mwangi (2017), Cahyaningtyas and Ningtyas (2020), and Rezazade et al. (2023). The use of accounting services helps to reduce risks, simplify administrative procedures, and reduce overhead costs and uncertainty in business operations. At the same time, accounting services also allow businesses to achieve economies of scale, thereby improving overall performance (Hafeez, 2013).

Based on the research results, some important managerial implications are proposed for SMEs using accounting services as well as enterprises providing these services. First, SMEs in Da Nang frequently utilize OAS, particularly for periodic accounting services, including bookkeeping and monthly financial reporting. This not only helps them ensure legal compliance but also brings significant benefits in governance. Therefore, the study recommends that startups should prioritize the regular use of OAS to overcome limitations in financial and management skills, thereby supporting sustainable development.

In addition, the accounting service market plays an increasingly important role in the economy, with an increase in scale and influence on national and international trade. To promote the development of this industry, it is necessary to implement synchronous solutions, such as refining the legal framework for accounting, reasonably expanding the number of enterprises providing accounting services, enhancing the quality of accountants through specialized training and knowledge updates, as well as strengthening international cooperation. The development of the accounting service market not only helps to improve the transparency and honesty of financial information but also optimizes the efficiency of financial resource allocation.

Regarding the legal framework, improving the effectiveness of the management of the technical services market is necessary to ensure transparency and compliance with international practices. Policy makers need to continue improving policies, strengthening supervision of service providers, and expanding international cooperation in this field. In addition, it is necessary to promote the development of domestic professional organizations, aiming to gradually transfer some management functions from the state to professional organizations according to international models. To support accounting service enterprises, the Ministry of Finance and relevant agencies need to organize training programs, provide policy guidance, and offer professional support regularly and widely.

Although the study yielded many important findings, it also has some limitations. First, the scope of the study was limited to Da Nang, so the ability to generalize to businesses across the country is limited. However, because the study was conducted on a great number of micro, small, and medium-sized enterprises, the results still have important reference value. Future studies can broaden the study's scope and consider additional factors such as the impact of corporate culture or the timing of financial reporting on the decision to use accounting services. Second, this study mainly approaches from the perspective of business management without considering the views of policymakers or accountants. Further studies can combine different perspectives to have a more comprehensive view of the impact of accounting services on operational performance.

## CONCLUSION

This study set out to examine the impact of outsourced accounting services (OAS) on the performance of small and medium-sized enterprises (SMEs) in Da Nang, Vietnam. Specifically, it aimed to determine how routine, non-routine, and consulting accounting services contribute to compliance and management benefits, and in turn, influence operational performance.

Key findings reveal that routine and consulting accounting services significantly enhance both compliance and management benefits, thereby improving business performance. Conversely, non-routine accounting services show a positive association with management benefits but have no notable impact on compliance benefits. The study further confirms the mediating role of compliance and management benefits in the relationship between outsourced accounting services and operational performance.

These insights highlight the importance of strategically leveraging outsourced accounting services to enhance performance and boost the competitiveness of SMEs. This study contributes to the theoretical understanding of service outsourcing and offers practical guidance for SME managers aiming to enhance sustainable development through targeted financial practices.

## AUTHOR CONTRIBUTIONS

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## APPENDIX A

**Table A1.** Accounting services

Types of accounting services	Definition	Source
Routine accounting services (Performed continuously, regularly, and as a package)	Collecting and recording business transaction information and maintaining accounting records. Managing receivables, payables, and assets. Calculating taxes and preparing tax reports. Preparing financial statements.	Accounting Law
Non-routine accounting services (Performed periodically or only at year-end)	Filing VAT and income tax returns. Preparing year-end financial statements. Preparing payroll and PAYE (deducting a portion of the monthly income for tax payments). Tax planning and tax advisory services.	Oosthuizen et al. (2020) Blackburn and Jarvis (2010)
Advisory services	Secretarial and other management services (such as company formation, registration changes, dissolution, etc.). Consulting services related to new business startups (including business planning and capital raising). Consulting services related to business financial management (such as budgeting, cash flow management, and profitability improvement programs). Consulting services related to strategic financial management (such as decisions on growth and expansion, capital investment, and additional fundraising).	Carey (2015) Collis (2012) Devi and Samujh (2010)

**Table A2.** Scales applied in the study

No.	Variables	Source	
<b>Routine accounting services</b>			
1	Collect and record business transaction information and bookkeeping.	Døving and Gooderham (2008)	
2	Manage receivables, payables, and assets.		
3	Calculate taxes and prepare tax reports.		
4	Prepare and compile financial statements.		
<b>Non-routine accounting services</b>			
5	Submit VAT and income tax returns.	Døving and Gooderham (2008) McChlery et al. (2005) Devi and Samujh (2010) Mai and Giáp (2019) Oosthuizen et al. (2020) Hanh (2022) Rezazade et al. (2023)	
6	Prepare year-end financial statements.		
7	Prepare payroll and PAYE.		
8	Develop tax planning strategies and provide tax consulting.		
<b>Advisory services</b>			
9	Secretarial services and other management services.		
10	Consulting services related to starting a new business.		
11	Consulting services related to corporate financial management.		
12	Consulting services related to the strategic financial management of the business.		
<b>Compliance benefits</b>			
1	Accounting services to help businesses comply with tax regulations.	Bennett et al. (2000) Devi and Samujh (2010) Han and Benson (2010) Carey and Tanewski (2016) Bagieńska (2016) Oosthuizen et al. (2020) Alfartoosi and Jusoh (2021) Diên and Ngọc (2024) Hải et al. (2024)	
2	Accounting services to ensure compliance with laws and relevant regulations.		
3	Essential accounting services for compliance with external stakeholders, such as banks and creditors.		
4	Accounting services provide businesses with accurate and timely information.		
<b>Management benefits</b>			
1	Accounting services help businesses overcome skill gaps.	Kaplan and Norton (1996, 2001) Bhagwat and Sharma (2007) Shibani and Gherbal (2018)	
2	Accounting services support informed business decision-making.		
3	Accounting services improve business control and oversight.		
4	Financial information from accounting services is useful for overall business management.		
<b>Operational performance</b>			
1	Generate long-term profit benefits for the business.	Kaplan and Norton (1996, 2001) Bhagwat and Sharma (2007) Shibani and Gherbal (2018)	
2	Increase production and revenue for the business.		
3	Improve customer and employee satisfaction.		
4	Enhance the business's reputation, position, and brand.		