



Activity-Based Costing and Profitability A Hybrid Systematic Literature Review and Bibliometric Analysis

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Abstract

This study employs a systematic literature review integrated with bibliometric analysis to examine the intellectual structure, conceptual evolution, and emerging research trends in the intersection of Activity-Based Costing, profitability, and firm value. Adhering to the PRISMA framework, peer-reviewed articles indexed in the Scopus database, published up to May 2026 and written in English, were systematically identified, screened, and synthesized. Bibliometric techniques facilitated through VOSviewer software were applied to map citation networks, co-authorship patterns, and keyword co-occurrence structures, thereby enabling a thorough examination of the field's thematic development over time. The review demonstrates that academic interest in the relationship between Activity-Based Costing mechanisms, profitability indicators, and firm value has expanded considerably in recent years. Nevertheless, the existing body of literature remains fragmented across diverse methodological approaches and tends to concentrate on specific costing constructs, particularly time-driven frameworks and overhead allocation methods. Prominent contributors, dominant thematic clusters, and notable research gaps are identified, highlighting the necessity for greater theoretical integration, more rigorous causal research designs, and expanded cross-industry comparative analyses. The combination of systematic review and bibliometric mapping establishes a robust analytical foundation, illuminating the trajectory of this research domain and providing clear direction for future empirical and conceptual contributions to cost management and organizational value-creation scholarship.

Keywords : *Activity-Based Costing, Profitability, Cost Management.*



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INTRODUCTION

The relationship between Activity-Based Costing (ABC), profitability, and firm value has emerged as an increasingly significant area of inquiry within contemporary management accounting and corporate finance research. ABC is broadly acknowledged as a foundational cost management methodology that improves cost transparency, eliminates non-value-adding activities, and enhances internal resource allocation systems, thereby contributing to organizational efficiency and financial performance (Ryńca & Ziaeeian, 2021). Profitability and firm value, meanwhile, represent key indicators of a firm's operational capability and long-term market performance. As global competition intensifies and business environments grow more complex, firms are pressured to adopt more sophisticated costing systems and financial strategies to sustain competitiveness and attract investor confidence (Kefe & Tanış, 2023).

The relevance of activity-based costing becomes even more pronounced in diverse operational contexts, including manufacturing, service industries, healthcare, and online retailing, where traditional costing systems fail to capture the true cost of activities due to the increasing complexity of production processes and overhead structures (Rodríguez-García et al., 2023). Profitability commonly measured using Return on Assets (ROA) and Return on Equity (ROE) continues to serve as a central outcome variable that reflects the effectiveness of cost management practices across multiple empirical settings (Neamah et al., 2024). Firm value itself, often assessed through market-based indicators, reflects both market expectations and the strategic orientation of firms in managing their cost structures and resource utilization.

As academic discourse evolves, research increasingly incorporates broader dimensions such as capacity management, bottleneck identification, and process optimization, which have been found to

reduce operational inefficiencies, improve throughput, and contribute to long-term value creation (Kefe & Taniş, 2023). Similarly, ABC-based frameworks—particularly those integrating time equations, cost drivers, and activity classification—continue to be highlighted as key determinants of financial performance and strategic decision-making across various industries (Rodríguez-García et al., 2023) (Neamah et al., 2024). These findings collectively demonstrate that costing methodology, profitability, and operational characteristics jointly shape firm value across different institutional and industry contexts.

Given the expanding body of research on ABC and its implications for profitability and firm value, a comprehensive synthesis is required to map the intellectual structure, identify dominant themes, and evaluate the consistency of empirical evidence. A Systematic Literature Review (SLR), supported by bibliometric analysis, provides a rigorous and transparent approach to understanding research patterns, influential authors, and emerging topics within this field (Ryńca & Ziaecian, 2021). Such an approach enables scholars to evaluate research progress while identifying theoretical and practical implications for future studies.

Through systematic screening, classification, and bibliometric visualization, this study aims to provide a comprehensive overview of the evolving research landscape surrounding ABC, profitability, and firm value, and to offer meaningful contributions to the broader discourse on cost management, operational performance, and value creation across diverse organizational settings.

RESEARCH METHODS

A combination of systematic literature review and bibliometric analysis was employed to quantitatively evaluate existing research, uncover emerging trends, recurring patterns, and dominant themes within the field. This approach was guided by established frameworks such as PRISMA to ensure the process remains transparent, thorough, and reproducible, ultimately providing a well-structured and comprehensive understanding of the subject being examined (Hadi et al., 2020).

In this review, a number of specific inclusion criteria were applied, namely: (1) articles published up to May 1, 2026, (2) scholarly works written in the English language, and (3) studies that focused on the topic of Activity-Based Costing and profitability. To comprehensively visualize bibliographic data, VOSViewer software was utilized in conducting bibliometric analysis, encompassing citation network mapping, patterns of collaboration among authors, and keyword co-occurrence mapping, thereby revealing the structural dynamics present within this research domain. The integration of bibliometric analysis and systematic review provides researchers with the capacity to synthesize empirical findings while simultaneously mapping a comprehensive overview of scholarly activity that has taken place. Furthermore, this process also contributes to identifying the most influential authors, prominent contributors, as well as emerging thematic trends that are currently developing within the field of study (Ni & Abdullah, 2025).

The initial phase of this academic investigation begins with the selection of relevant keywords, which can be conducted using a macro (top-down) approach, starting from broad search pathways and progressively narrowing toward more specific studies and topics. This study employs the keywords “Activity-Based Costing” and “profitability”, as the primary focal terms within the title, abstract, and keyword sections. Furthermore, the Scopus database is extensively utilized by researchers for various investigative purposes, including conducting systematic literature reviews, identifying leading subject-matter experts in the field of cost accounting, and monitoring newly emerging research trends related to Activity-Based Costing and its practical applications across diverse industries.

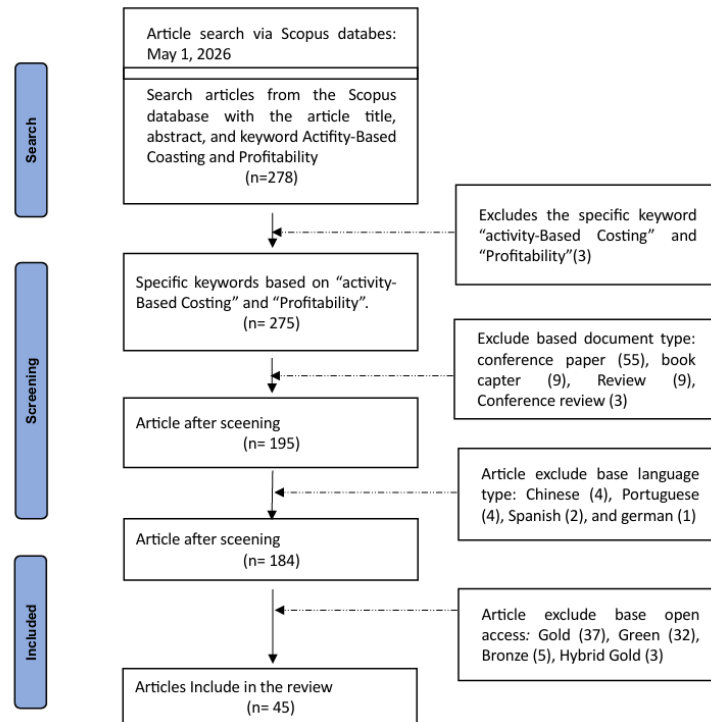


Figure 1. Systematic Literature Review information flow using PRISMA

Search results gathered on May 1, 2026, from the Scopus database utilizing article titles, abstracts, and keywords "Activity-Based Costing" and "Profitability" spanning various academic disciplines yielded a total of 278 documents, encompassing publications ranging from the earliest work in 1999 through to the most recent study in 2026 (see Figure 1). A thorough screening procedure was subsequently conducted to classify and filter these documents based on their respective document types. Upon completion of the screening process, a total of 45 articles were retained and deemed eligible for further in-depth examination and analysis. These selected articles were subsequently analyzed to address the following research questions: RQ1: Does the study of Activity-Based Costing and Profitability remain a relevant and worthwhile area for future scholarly exploration? RQ2: How is the current body of research on Activity-Based Costing and Profitability distributed across different academic disciplines and industries? RQ3: What theoretical and practical implications can be drawn to guide future research endeavors related to the relationship between Activity-Based Costing and Profitability?

RESULTS AND DISCUSSION

The findings of this study are derived from 45 articles retrieved from the Scopus database pertaining to Activity-Based Costing and Profitability. The data was obtained through the identification of the total number of published articles, the distribution of publications across different years, and the journal sources from which they originated. Furthermore, this study also highlights the most influential elements within the domain of Activity-Based Costing and Profitability, encompassing the most prominent authors, their respective institutional affiliations, and the countries that have made the most significant contributions to research in this particular field of study.

RQ1: Does the study of Activity-Based Costing and Profitability remain a relevant and worthwhile area for future scholarly exploration?

According to data retrieved from the Scopus database, spanning the period from 1999 to 2026, a total of 45 scholarly articles focusing on Activity-Based Costing and Profitability were identified, as illustrated in Figure 2. The earliest documented academic interest in this topic emerged in 1999, with

only 1 publication recorded at that time. A gradual yet inconsistent pattern of growth was observed throughout the subsequent years, with modest increases noted across various periods. Publication output experienced a notable rise during 2023 and 2024, with the peak reaching 7 articles published in 2024 ((Tsai, Chen, et al., 2024), (Tsai & Su, 2024), (Tsai, Chang, et al., 2024), (Neamah et al., 2024), (Enes & Koşan, 2024), (Al-Mashkoor & Hadi, 2024), (Thibault et al., 2024)), before experiencing a slight decline to 5 articles in 2025 ((Al-Dhubaibi, 2025), (Tsai, Lee, & Huang, 2025), (Tsai & Wu, 2025), (Al-Nasser et al., 2025), (Tsai, Lee, & Yang, 2025)). Notably, the 5 articles published in 2025 continue to reflect a strong and sustained level of academic interest in Activity-Based Costing and Profitability, demonstrating that this topic remains at the forefront of scholarly discourse. This overall upward trend suggests that academic attention toward the relationship between Activity-Based Costing and Profitability has experienced periodic variations over time, while simultaneously demonstrating a compelling resurgence of scholarly interest in the most recent period, reinforcing the continued relevance and significance of this research domain for future academic exploration.

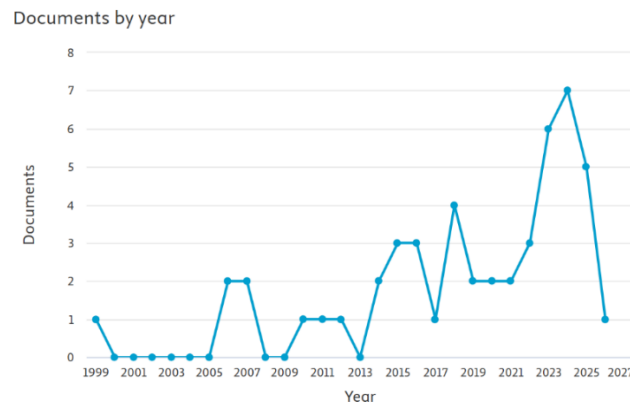


Figure 2. Number of Publication
Source: Scopusdatabase

Although the number of publications has been growing, research on Activity-Based Costing and Profitability is still relatively limited, particularly in high-impact journals. This gap provides an opportunity for future researchers to explore the topic further and offer valuable insights into how Activity-Based Costing can improve organizational profitability. Understanding this relationship is important for both theory and practice in various business settings. Overall, these findings confirm that research on this topic remains relevant and worthy of continued scholarly attention.

RQ2: How is the current body of research on Activity-Based Costing and Profitability distributed across different academic disciplines and industries?

The analysis of the distribution of research on Activity-Based Costing and Profitability across the 45 identified articles was conducted by categorizing the articles according to classifications such as country, region, affiliation, source, and author, considering only the top 10 articles in each classification. Insights regarding the allocation of scholarly work on Activity-Based Costing and Profitability will be valuable for researchers and practitioners in shaping future research agendas, particularly in enhancing the theoretical development and practical application of Activity-Based Costing systems to drive improvements in organizational profitability.

Based on the countries of origin of the research samples, it is evident that the majority of studies were conducted in Taiwan, which leads with 12 publications, followed by Iraq, the United Kingdom, and the United States with 4 publications each. Australia contributed 3 publications, while Brazil, Canada, Czech Republic, Denmark, and Iran each contributed 2 publications. These findings indicate that the topic of Activity-Based Costing and Profitability has attracted considerable academic attention across both developing and developed nations, reflecting the broad global relevance and applicability of this subject across diverse economic and industrial contexts.

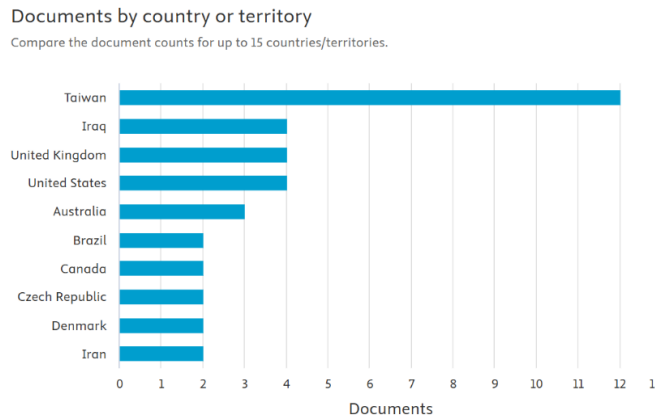


Figure 3. Number of articles by country or territory (top 10)
Sources: Scopus databest

Insights into the distribution of scholarly work on Activity-Based Costing and Profitability will prove highly beneficial for both researchers and practitioners in formulating future research agendas, particularly in strengthening the theoretical foundations and advancing the practical implementation of Activity-Based Costing systems as an effective strategy for improving and maximizing organizational profitability across various business settings.

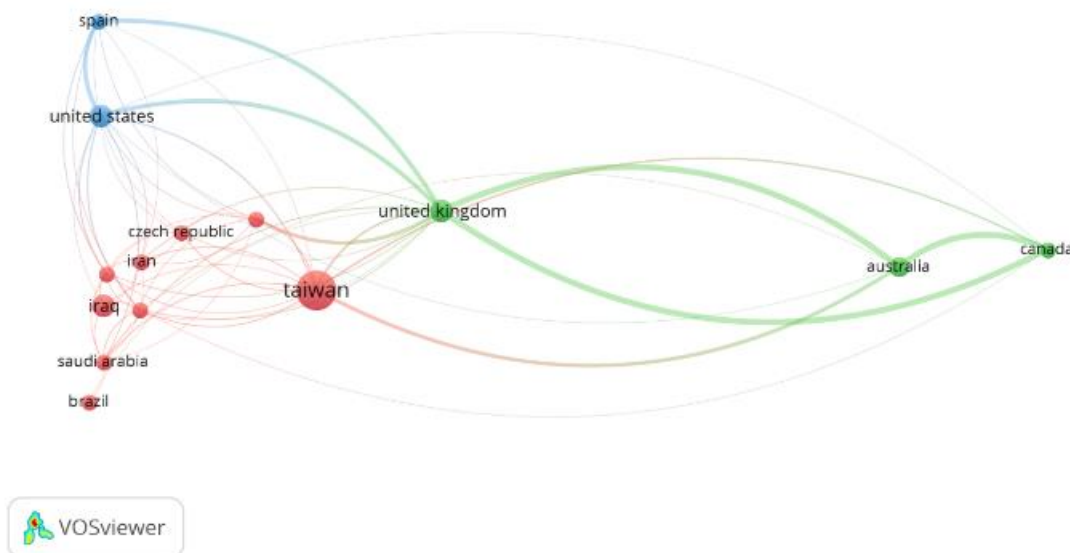


Figure 4. Network Country Visualization
Source: Output VOSviewer software

The VOSviewer network visualization in Figure 4 displays the collaborative relationships among 14 countries involved in research on Activity-Based Costing and Profitability, forming 3 distinct clusters with 59 links and a total link strength of 689. Taiwan emerges as the most dominant node in the network, represented by the largest circle, indicating its position as the leading contributor and most extensively connected country in this research domain. Taiwan is closely linked with several countries, including Iraq, Iran, Czech Republic, Turkey, Poland, Saudi Arabia, and Brazil, forming the red cluster. The green cluster is led by the United Kingdom, which maintains strong collaborative ties with Australia and Canada. Meanwhile, the United States and Spain form the blue cluster, reflecting their collaborative engagement in this field. These findings demonstrate that research on Activity-Based Costing and Profitability is not confined to a single region, but rather reflects a broad pattern of international collaboration spanning both developed and developing nations across multiple continents.

RQ3: What theoretical and practical implications can be drawn to guide future research endeavors related to the relationship between Activity-Based Costing and Profitability?

The documents obtained from the Scopus database in RIS (Research Information Systems) format were systematically imported and analyzed using VOSviewer software. This bibliometric approach facilitated the visualization of patterns, trends, and interconnections within the existing literature on Activity-Based Costing and Profitability, providing both theoretical and practical insights that can serve as a valuable foundation for guiding future research directions in this field.

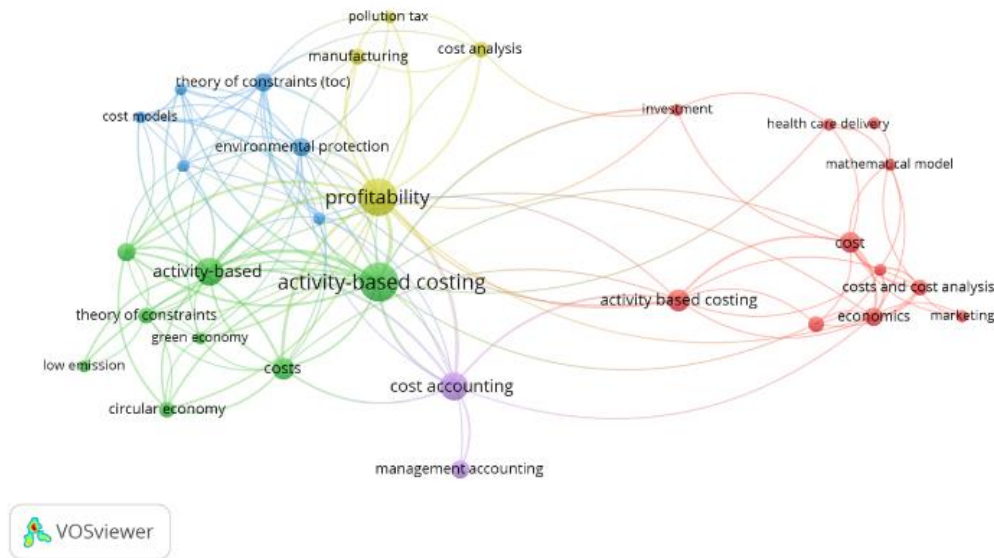


Figure 5. Co-occurrence framework and representation of key terms
Source: Output VOSviewer software

The findings of this bibliometric study provide a comprehensive overview of the development of research on Activity-Based Costing (ABC) and profitability by analyzing 45 articles indexed in Scopus. The VOSviewer visualization revealed 31 keywords grouped into five clusters, generating 136 links and a total link strength of 227, indicating a strong interconnected research structure. The prominence of “activity-based costing” and “profitability” as the most influential nodes confirms their central role in cost management and organizational performance studies. These findings are consistent with previous bibliometric and systematic review studies that highlighted the continuing relevance of ABC as a strategic management accounting tool capable of improving cost accuracy, resource allocation, and profitability measurement across diverse organizational settings (Sanchez-Rebull et al., 2023; Paksoy, 2024). Furthermore, the persistence of ABC-related themes across different sectors demonstrates the adaptability of the method and its sustained importance in both academic and practical contexts.

The cluster analysis further demonstrates that research on ABC has evolved beyond traditional manufacturing applications toward broader organizational environments. Previous studies have shown the expansion of ABC implementation into higher education institutions, service organizations, transportation systems, and public-sector entities, reflecting the growing recognition of activity-based cost information as a critical component of managerial decision-making (Borges et al., 2024; Campos et al., 2025). In addition, the emergence of Time-Driven Activity-Based Costing (TDABC) as a prominent research stream indicates a shift toward more efficient and simplified costing methodologies capable of addressing contemporary operational complexities (Aguilar et al., 2024; Paksoy, 2024). This evolution suggests that ABC research is increasingly focused on integrating technological advancements, operational efficiency, and strategic performance evaluation, thereby reinforcing its contribution to profitability enhancement and organizational competitiveness.

Despite the maturity of the field, the bibliometric mapping also reveals several underexplored research areas that present significant opportunities for future investigation. While topics such as cost accounting, cost management, cost analysis, and manufacturing remain dominant, relatively limited attention has been devoted to the integration of ABC with sustainability-oriented concepts, including

the green economy, circular economy, sustainable development, and environmental protection. This finding aligns with recent literature reviews emphasizing the need for more interdisciplinary approaches that connect cost management systems with environmental and social performance objectives (Sanchez-Rebull et al., 2023; Campos et al., 2025). Consequently, future studies should explore how ABC and TDABC can support sustainability reporting, environmental cost measurement, resource efficiency, and circular business models. Such research would not only enrich the theoretical development of management accounting but also provide practical guidance for organizations seeking to balance profitability with long-term sustainable value creation.

Tabel 1. Keywords by authors

Rank	Keywords	Total link stenght
1	Profitability	111
2	Activity-based costing	104
3	Activity-base	87
4	Sustainabledevelopment	47
5	Cost and cost analysis	26
6	Cost accounting	44
7	economics	30
8	Cost analysis	11
9	Investment	9
10	Management accouting	3

Source: Output VOSviewer Software

Based on the keyword co-occurrence mapping generated using VOSviewer for the 31 identified keywords grouped into 5 distinct clusters, it is evident that "Profitability" emerges as the most dominant keyword within the research network, recording the highest total link strength of 111, indicating the strongest and most frequent connections with other keywords. "Activity-Based Costing" represents the second most prominent concept with a total link strength of 104, followed by "Activity-Base" (87), "Sustainable Development" (47), "Cost Accounting" (44), "Economics" (30), "Cost and Cost Analysis" (26), "Cost Analysis" (11), "Investment" (9), and "Management Accounting" (3), as presented in Table 1.

This pattern indicates that research on Activity-Based Costing is predominantly examined within the broader context of profitability and cost management. Activity-Based Costing not only forms the theoretical core in explaining variations in organizational profitability but also shows strong linkages with variables such as sustainable development, cost accounting, economics, and cost analysis.

Cluster one encompasses the keywords "activity-based costing," "profitability," and "cost accounting," reflecting the central theme of how Activity-Based Costing systems contribute to improving cost efficiency and organizational profitability. Cluster two highlights keywords related to "sustainable development," "green economy," "circular economy," and "environmental protection," indicating the growing integration of sustainability principles within cost management practices. Cluster three consists of keywords related to "manufacturing," "pollution tax," and "green manufacturing," illustrating studies that examine Activity-Based Costing applications in industrial and environmental contexts. Cluster four encompasses "cost analysis," "costs and cost analysis," "economics," and "marketing," reflecting the broader economic and market dimensions of Activity-Based Costing research. Cluster five includes "mathematical model," "theoretical model," "health care delivery," and "investment," highlighting the application of Activity-Based Costing in specialized sectors such as healthcare and investment planning.

Overall, the keyword mapping results reveal that research on Activity-Based Costing and Profitability is embedded within a multidimensional framework encompassing cost management, sustainability, manufacturing, and sector-specific applications. The literature increasingly considers how Activity-Based Costing systems, beyond their traditional cost allocation functions, contribute to broader organizational performance, sustainability goals, and long-term profitability enhancement.

CONCLUSION

This systematic literature review and bibliometric analysis of 45 articles retrieved from the Scopus database provides a comprehensive overview of the research landscape concerning Activity-Based Costing and profitability. The findings collectively demonstrate that the relationship between ABC and organizational profitability remains a highly relevant and growing area of scholarly inquiry, as evidenced by the peak publication output observed in 2024 and the sustained research momentum continuing into 2025 and 2026. From a geographical standpoint, Taiwan dominates the research landscape with 12 publications, underscoring its prominent role in advancing both theoretical and applied dimensions of ABC research. The network visualization further reveals active international collaboration spanning developed and developing nations, indicating that the topic transcends regional boundaries and holds widespread practical relevance. The keyword co-occurrence analysis identified five thematic clusters, with "Profitability" and "Activity-Based Costing" emerging as the most central and interconnected concepts. These clusters reflect the multidimensional nature of ABC research, which extends beyond traditional cost allocation to encompass capacity management, sustainable development, manufacturing efficiency, economic analysis, and sector-specific applications in healthcare and investment planning.

A particularly significant finding is the growing prominence of Time-Driven Activity-Based Costing (TDABC) as a refined adaptation of the conventional ABC model. TDABC has demonstrated measurable effectiveness in identifying idle capacity, eliminating bottlenecks, and improving throughput across manufacturing, online retailing, and service environments. Notwithstanding this progress, the literature reveals certain limitations, particularly the underrepresentation of ABC research within high-impact journals and the limited exploration of sustainability-oriented themes such as green economy, circular economy, and environmental protection. In conclusion, this study affirms that Activity-Based Costing continues to be a vital instrument for improving cost transparency, enhancing operational efficiency, and ultimately driving organizational profitability and long-term firm value across diverse industrial and institutional settings.

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