

MANAGEMENT ACCOUNTING TECHNIQUES AND CORPORATE PERFORMANCE OF MANUFACTURING INDUSTRIES

DOWNLOAD THIS ARTICLE

Ardiansyah Rasyid, Elizabeth Sugiarto D, Wilson Kosasih

DOI:10.22495/rgcv7i2art11



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/).

Abstract

This research is to investigate that some factors that affect the new adoption in management accounting techniques on the Indonesia manufacturing industries, specifically in Jakarta, Bogor, Depok, Tangerang and Bekasi regions. The research can give a clearer portrait of how some factors can significantly affect the adoption of management accounting techniques. The research used some questioners which were sent to respondents who work in manufacturing industries as a middle level management. The methods used to distribute the questioners to respondents were by door to door, by e-mail and by media telecommunication (what's app or close relationship) up to hundreds questioners. We obtained 45 respondents but we eliminated one respondent, because they are not suitable to the research requirements. The research model contains the two paths. The first path contains 7 variables that divided by six exogenous variables to affect one endogenous variable and the next path model is from the three variables, that are divided to the one mediating variable and the other one exogenous variables to affect one endogenous variable (like path modelling). The research result shows that high competition does not affect the new accounting adoption but the other five variables; cost system changing, technology changes, organization climate, consumer demand and size significantly affect the new accounting adoption. For the next path, the research finds that the new accounting adoption can significantly affect corporate performance and also corporate performance measurement perception.

TO TOP

JOURNAL MENU

MANAGEMENT ACCOUNTING TECHNIQUES AND CORPORATE PERFORMANCE OF MANUFACTURING INDUSTRIES

Ardiansyah Rasyid*, Elizabeth Sugiarto D.*, Wilson Kosasih**

* Tarumanagara University, Faculty of Economics, Accounting Dept., Indonesia

** Tarumanagara University, Faculty of Industrial Engineering, Indonesia



Abstract

How to cite this paper:

Rasyid, A., Sugiarto D., E., Arkaah, J. and Kosasih, W. (2017). Management Accounting Techniques And Corporate Performance Of Manufacturing Industries. *Risk governance & control: financial markets & institutions*, 7(2), 116-122.

<http://dx.doi.org/10.22495/rgcv7i2art11>

Copyright © 2017 The Authors

This work is licensed under the Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0). <http://creativecommons.org/licenses/by-nc/4.0/>

ISSN Online: 2077-4303

ISSN Print: 2077-429X

Received: 28.11.2016

Accepted: 02.02.2017

JEL Classification: M41, C26

DOI: 10.22495/rgcv7i2art11

This research is to investigate that some factors affect the new adoption in management accounting techniques on the Indonesia manufacturing industries, specifically in Jakarta, Bogor, Depok, Tangerang and Bekasi regions. The research can give a clearer portrait of how some factors can significantly affect the adoption of management accounting techniques. The research used some questioners which were sent to respondents who work in manufacturing industries as a middle level management. The methods are used to distribute the questioners to respondents were by door to door, by e-mail and by media telecommunication (what's app or close relationship) up to hundreds questioners. We obtained 45 respondents but we eliminated one respondent, because it is not suitable to the research requirements. The research model contains the two paths. The first path contains 7 variables that divided by six exogenous variables to affect one endogenous variable and the next path model is from the three variables, that are divided to the one mediating variable and the other one exogenous variables to affect one endogenous variable (like path modelling). The research result shows that high competition does not affect the new accounting adoption but the other five variables; cost system changing, technology changes, organization climate, consumer demand and size significantly affect the new accounting adoption. For the next path, the research finds that the new accounting adoption can significantly affect corporate performance and also corporate performance measurement perception.

Keywords: New Accounting Adoption, Exogenous Variables, Endogenous Variables and Management Accounting Practices

Acknowledgements: This research is fully supported by a grant from the Ministry of Higher Education Research and Technological Indonesia Government

1. INTRODUCTION

A number of theories and practices in management accounting have been used to figure out the implementation of the theories and concepts of management accounting within an organization. For example, some studies have used a metamorphosis such as translation, imitation, and models to explain the process of change of new ideas among the members of a community system (Rovik, 1996). Wang, Heng, and Chau (2010) have been addressing several theories to explain the processing of the spread of an innovation or implementation of the changes in an organization, namely: the theory of

transaction cost economics, the stakeholder theory, the theory of organizational learning, the institutional theory, the theory of transaction costs, and the theory of social costs. In connection with this, the spread of innovation theory (Rogers, 2003) has been used to describe the process of change and implementation of the techniques/new practices in an organization. This theory states that a comprehensive coverage of contextual factors such as organizational strategy, organizational culture, organizational structure, the characteristics of innovation, communication channels, and environmental factors, and others can affect the spread of innovations in the organization (Adam & Fred, 2008; Al-Omiri & Drury, 2007a; Askarany 2006;

Askarany & Smith 2004, 2008; Askarany & Yazdifar 2009; Askarany & Yazdifar, 2012; Berling, 2008; Englund & Gerdin, 2008; Qian & Ben -Arieh 2008; Yazdifar & Askarany, 2012; Yazdifar, Askarany, Askary, & Daneshfar, 2005). Some problems of implementation from theories and the metamorphosis of some mentions have previously found some relationship between changes in management accounting or implementation and some contextual factors, but the findings were merely inconclusive, inconsistent, and a mixture of both (Al-Omiri & Drury, 2007a; Askarany & Yazdifar, 2012; Baird, 2007; Baird, Harrison, & Reeve, 2007; Cobb, Innes, & Mitchell, 1993; Innes & Mitchell, 1995; Innes, Mitchell, & Sinclair, 2000; Langfield-Smith, 1997; Pierce, 2004; Yazdifar & Askarany, 2012). Furthermore, from the perspective of the organization, there are factors that contribute to the innovative behavior in the organization and organizational decisions to continue with the changes that are so dynamic, but this is still in relative terms, inconclusive and inconsistent (Cho & Pucik, 2005).

The problem questions can be constructed that contains as below:

1. *Do some factors influence corporations to adopt new management accounting techniques.*
2. *How do some factors significantly influence corporations to adopt new management accounting techniques.*
3. *Does the new management accounting techniques adoption significantly influence to corporate performance.*

The above questions aim for the whole research purpose and it can provide the clear picture.

Consequently, that research questions attempts to find what some factors influence the new management accounting techniques adoption particularly, in manufacturing industries based on Indonesia circumstance. It also aims to provide a view of the new management accounting techniques adoption to influence corporate performance.

This paper is structured as follows; the first section is an introduction section. The next section indicates theoretical and literature review. significance of the research, followed by reviewing the literature which carried out in MAPs, research design, research methodology, research results, and finally the research conclusions.

2.THEORETICAL AND LITERATURE REVIEW

The research is planned to show that overall change on management accounting has been introduced and practiced over the last three decades (Al-Omiri & Drury, 2007b; Anderson & Young, 1999; Askarany 2003; Askarany, Smith, & Yazdifar, 2007a, 2007b; Askarany & Yazdifar 2007; Askarany, Yazdifar, & Askary, 2010; Baird, 2007; Gosselin, 1997; Langfield-Smith, 1997). Those researches have been done in Australia through some researches like the one by Chenhall and Langfield-Smith (1998) that has found that the level of adoption for the whole techniques and concepts in management accounting. With respect to the foregoing, the following rating on the rule level of adoption of some techniques in traditional management accounting was found: "financial budgeting and planning analysis (1),

capital budgeting (2), and a performance evaluation by using return on investment (3)". Similarly, some studies were published that relate to the spread of innovation management accounting in the UK and New Zealand and they found a similar picture (Abdel-Kader & Luther, 2006; Al-Omiri & Drury, 2007a; Askarany et al., 2010; Cotton, Jackman, & Brown, 2003; Yazdifar & Askarany, 2009).

This research is to observe and analyze what the factors are to management accounting change from a managerial angle by taking account of the critical role of leaders in change process (Cobb et al., 1995). Therefore, we aim to analyze the impact of drivers and barriers on the attitude of managers and their willingness to adopt sophisticated accounting methods. The theory of reasoned action suggests that a person's behavior is determined by his/her intention to perform a specific behavior and that this intention is, in turn, a function of his/her attitude towards that behavior and his/her subjective norm (Ajzen and Fishbein, 1980). The best predictor of actual behavior is intention. Intention is the cognitive representation of a person's readiness to perform a given behavior, and it is considered to be the immediate antecedent of behavior.

The individual's attitude towards management accounting change plays a major role in the analysis of the drivers of and barriers to change. Even if the attitude does not directly necessitate the outcome, it has great impact on the behavior of the individual during the decision making process (Ajzen, 1996). Therefore, a closer look at the antecedents of attitude is needed. Only if the antecedents of attitude are analyzed in greater detail is further research on the decision process from a behavioral perspective feasible in order to understand the final decision for/against management accounting change. We also find this approach in research into IS change: Nicolaou et al. (1995) use the respondent manager's intention to change a system as a dependent variable.

However, exception for some (eg, activity-based costing and the balanced scorecard) other management accounting changes and innovations have relatively received little publicity in the literature. Therefore, very unclear changes or other management accounting innovations are faced by the organization. Innovation of management accounting was in the past few decades, Björnenak and Olson (1999: 327) have identified the major costs which have recently been developed by techniques of management accounting (which have received practitioners' attention). These are as follows: (1) Standard Costing (SC), (2) Activity-based costing (ABC), (3) Activity management (AM) and activity-based management (ABM); (4) Balanced Scorecard (BSC); (5) Life cycle costing (LCC); (6) Target costing (TC).

Key performance indicators (KPIs) are resource accounting and budgeting (RAB), zero-based budgeting (ZBB), functional analysis or functional analysis, and resource management (Lapsley & Wright, 2004), in line with the technique mentioned above. Chenhall and Euske (2007) refer several innovations of management accounting as the most under management control system as follows: activity-cost-management, target costing, life cycle

costing, quality costing and management innovation performance such as economic value added (EVA), shareholder value analysis (SVA), the value based management (VBM), and balanced score card (BSC). There is no universal consensus regarding to which technique is the latest innovation management accounting (Cadez & guilding, 2008). Some researchers argue that some management accounting techniques drawn from other disciplines such as engineering and economics (Miller, 1998; Miller, Kurunmäkii, & O'Leary, 2008). According to Miller et al. (2008), practices such as standard costing, discounted cash flow (DCF), the difference between fixed and variable costs, break-even analysis, and others are drawn from disciplines other than accounting and later adapted and formed as the core of accounting. However, with no regard to the authenticity of which is drawn from the techniques of management accounting, according Chenhall and Langfield-Smith (1998), a most popular technique was recently developed which has received great attention by the Australian practitioners and can be described as follows: ABC; ABM; BSC; benchmarking; SMA; and TC.

3. RESEARCH METHODS

3.1. Population and Sample

This research seeks to describe and illustrate the fact that actually occurred in the implementation of the theories and concepts of management accounting as well as its development and changes. This research method is a descriptive and causal relationship research by using primary data through direct observation to a sample location in the study. The study population is manufacturing firms located in Jakarta, Bogor, Depok, Tangerang and Bekasi. The method of sample selection is convenience categorization by industry, type of company, corporate size, and region of residence.

3.2. Research Variables

The research objects observed are the theory, concepts and techniques of management accounting that have been practiced by corporates. The dependent variable (endogenous variable) of this study is - New Adoption Management Accounting Techniques, while the independent variables (exogenous variables) of this study are: Organization Size, High Competition, Changing System Cost, Technology Change, Climate Organization and Consumer Demand. This model is for the first path. The next path (Second Path) is to test for the two variables like new adoption management accounting techniques and corporate performance perceived as exogenous variables (independent variables) relate to the one variable like corporate performance (stock price) as an endogenous variable. The first stage is to use survey method through the deployment of a number of questionnaires given and sent to manufacturing companies in every region of the Greater Jakarta.

3.3. Data Collection Techniques

The first phase of this research was conducted by some survey and distributing questionnaires to

several manufacturing corporates in the Depok area. This is to aim for knowing factually on the implementation of management accounting techniques and concepts, as well as this research is to test the level of implementation and adoption the management accounting techniques applied in Indonesia, specially located in Jakarta, Bogor, Depok, Tangerang and Bekasi.

The Respondents were asked to identify the targeted level of implementation of management accounting techniques that divided to the six most widely in the organization as follows: SC; ABC; ABM; BSC; LCC; and TC. In an open question, respondents were asked to inform management accounting techniques which were adopted, but it is not contained in the questionnaire or introduced concepts and theories in the organization (company).

By replicating Booth and Giacobbe (1998), the way in which the questionnaire was designed to search for information about the level of implementation of the change or innovation management accounting techniques, which are as follow:

- No introduction or discussion in the management of the company regarding the use of techniques that are innovative management accounting (with a weighting of 1);
- A decision had been taken not to introduce innovation management accounting techniques (with a weighting of 2);
- Some consideration has been given to the introduction of innovation (with a weighting of 3);
- Innovation management accounting techniques have been introduced on a trial basis (with a weighting of 4);
- Innovations have been implemented and accepted (with a weight of 5).

Referring to the above scale, respondents who have been selected are asked to identify the level of implementation of the six changes or management accounting techniques following inside the organization (company): SC; A B C; ABM; BSC; LCC; and TC. In an open question, respondents were also asked to list any other management accounting techniques that have been implemented, discussed or introduced in the organization (company). The questionnaire includes two open-ended questions seeking more information about the major strengths and weaknesses of management accounting techniques that have been implemented as contextual factors that influence the manager's decision to implement (or not) management accounting changes in the organization (company).

The trial of the instrument was originally done with a group of university academics, managers and management accountants. Before the survey instrument has been submitted through the google form to the organizations that are being investigated, the validity of the content has been resolved by asking a group of faculty of management accounting and graduate students with an experience that is adequate to review the instruments for clarity and purpose and to improve the design and focus on the content from the contents of the question. Modifications have been developed and made as deemed necessary to help motivate the respondent to answer all questions the contents better.

3.4. Research Hypothesis

The hypotheses are as follows:

Hypothesis 1: states organization size factor (OS) to affect the adoption of new management accounting technique (NAMA).

Hypothesis 2: states high competition factor (HC) to affect the adoption of new management accounting technique (NAMA).

Hypothesis 3: states cost system changing factor (CSC) to affect the adoption of new management accounting technique (NAMA).

Hypothesis 4: states a technology change factor (TC) to affect the adoption of new management accounting technique (NAMA).

Hypothesis 5: state organization climate (OC) to affect the adoption of new management accounting technique (NAMA).

Hypothesis 6: states consumer demand factor (CD) to affect the adoption of new management accounting technique (NAMA).

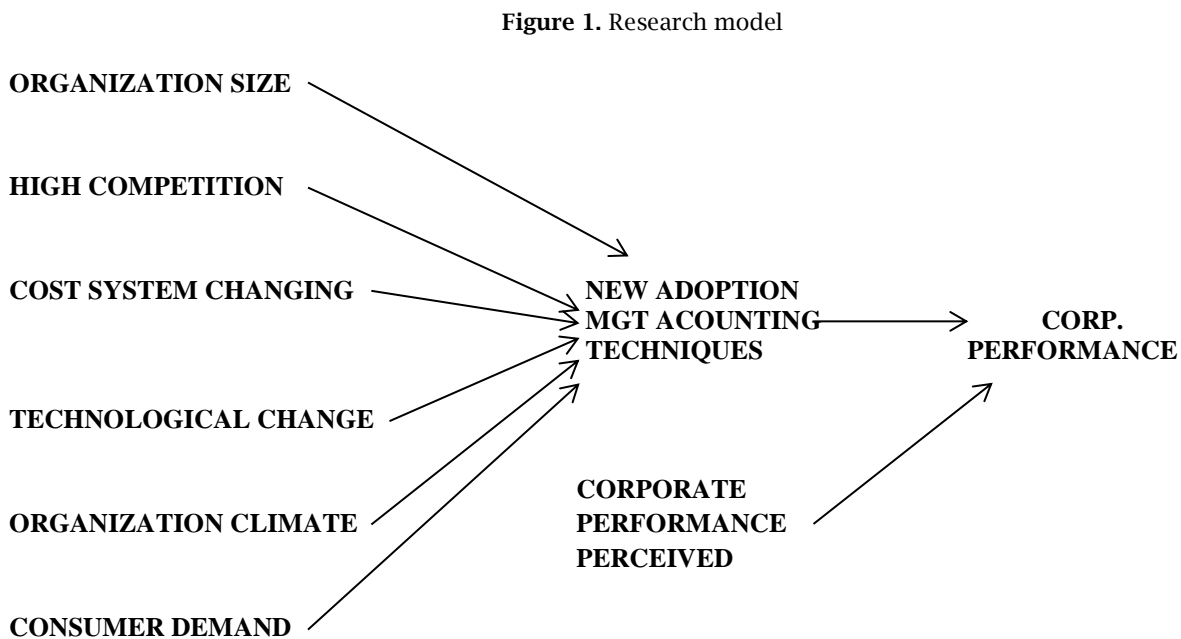
Hypothesis 7: states the adoption of new management accounting technique (NAMA) to affect corporate performance (PKOBP).

Hypothesis 8: states the perception of importance Corporate Performance Measurement (PPKP)

Changes affect Organizational Performance Compared to Competitors (PKOBP).

3.5. Research Model

Research model can be depicted for as follow:



Note: Research flow is from the previous articles : Booth and Giacobbe (1997), Van Nuyen and Brooke (1997), Abdel-Kader & Luther (2008), Narong, (2009), Fei and Isa(2010b), O'Regan and al. (2005), O'Regan P, Kennedy T, O'Donnell D, Bontis N, Cleary P (2005).

The above picture is to describe research models that can be divided by :

- First path model is to describe that there are six factors (exogenous variables); high competition (HC), technology change (TC), consumer demand (CD), organization size (OS), cost system changing CSC), organization climate (OC) affect to new adoption management accounting techniques.

- Second path model is to describe that there are two factors (exogenous variables); new adoption management accounting techniques and corporate performance perceived (PPKP) to affect corporate performance.

4.RESULTS AND ANALYSIS

4.1. Respondent Characteristic

The firstly, several industrial areas are visited by us to spread the questionnaires, but unfortunately we

can't get through directly to right respondents in their office or manufactures. This is because our research team does not have close relationship to personnel in the industrial area were able to answer this questionnaire. Moreover, the questionnaires have some difficulties in terminology. Therefore, there are many questionnaires which did not respond and delivered our team. Finally, the research questionnaires were sent via google form and we hope students respond well. Questionnaire is distributed via google form to maintain the confidentiality of respondents as many as 1,101 companies and as many as 513 undelivered remember the email address has changed, so it sent 588, but so many who do not respond so that 544 questionnaires filled only 44. The 44 samples is returned those questionnaires which can be described the characteristics of respondents based on the field work and long work in table 5.1 below.

Table 1. Job Field dan Respondent Work Life

Job Field	The # of Responden	Percentage (%)
Auditor	1	2,27%
Accountant	27	61,36%
Director	1	2,27%
Entrepreneur	1	2,27%
Finance dept.	1	2,27%
Inventory Dept.	1	2,27%
Purchasing	1	2,27%
Personnel Dept.	2	4,55%
Production Dept.	6	13,64%
Marketing dept.	2	4,55%
Unidentified	1	2,27%
Total	44	100%
Work Life		
Less than 5 years	23	52,27%
5 s/d 10 years	11	25%
More than 10 tahun	9	20,45%
Unidentified	1	2,27%
Total	44	100%

The other side that we can depict based on corporate type, the number of workers, corporate size and corporate location for as below:

Table 2. Corporate Characteristics

Industry Classification	# Respondents	Percentage (%)
Bata & Semen	1	2,27%
Consumer Financing	1	2,27%
Consumer Health Care	1	2,27%
Customized Machinery	1	2,27%
Medical and Medicines Firms	3	6,82%
Woods and Processing	3	6,82%
Chemistry	3	6,82%
Consultant	1	2,27%
Foods and Beverages	8	18,18%
Otomotive, Components and Spare Parts	5	11,36%
Foods for Pakan Ternak	1	2,27%
Home equipment and Tools	3	6,82%
Plastics & Packaging	6	13,64%
Pulps & Papers	1	2,27%
Cements	2	4,55%
Garments and Textiles	2	4,55%
No Answer	2	4,55%
Total	44	100%
Corporate Type		
Foreign	5	11,36%
Joint Corporation Foreign and Local	6	13,64%
Local	32	72,73%
No Answer	1	2,27%
Total	44	100%
Corporate industry		
Labor Intensive	19	43,18%
Capital intensive	21	47,72%
No Answer	4	9,09%
Total	44	100%
The # of Labors		
≤ 150 Labors	17	38,64%
151-1.000 Labors	14	31,82%
≥ 1.000 Labors	12	27,27%
No Answer	1	2,27%
Total	44	100%
Size		
Small	11	25%
Medium	21	47,72%
Large	11	25%
No Answer	1	2,27%
Total	44	100%
Location		
Jakarta	26	59,09%
Bogor	2	4,55%
Depok	0	0
Tangerang	9	20,45%
Bekasi	1	2,27%
Others	5	11,36%
No Answer	1	2,27%
Total	44	100%

Table 3 is to present the details description from Respondent Answers to The New Adoption Management Accounting Techniques, this details are from the whole questioners that returned to our team. The details can be viewed for as below:

Table 3. Respondent Answer related to New Adoption Management Accounting Techniques

	Score 1	Score 2	Score 3	Score 4	Score 5	No Answer	Total
SC	7	1	4	10	21	1	44
ABC	12	4	6	8	11	3	44
ABM	12	3	8	4	12	5	44
BSC	13	3	6	8	10	4	44
LCC	13	1	9	8	8	5	44
TC	7	1	9	8	14	5	44
Other: Just In Time							

The above table 3 can be analyzed that column for score 5 indicate management accounting techniques practiced based on ranking that in sequential from upper to lower level like : Standard Costing (SC)(21), Target Costing (TC) (14) , Activity Based Management (ABM) (12), Activity Based Costing (ABC)(11) , Balance Scorecard (BSC)(10) ,and for the last is Life Cycle Costing (LCC) (8). This table is to sequence from score 1 which indicate the contrary from score 5 as follow: Balance Scorecard (BSC)(13) ,and for the last is Life Cycle Costing (LCC) (13,). Activity Based Management (ABM) (12), Activity Based Costing (ABC)(12), Standard Costing (SC)(7), Target Costing (TC) (7).Based on this result, this table can be described that the whole respondents have specified characterization a vice versa between the most and the less management accounting practiced..

4.2. Reliability and Validity Indicators for Latent Variable (Exogenous Variables)

The model testing require to fulfill some qualification like reliability and validity indicators In order to achieve the perfect condition for research result. The testing result for validity and reliability indicators such as table 4 below:

Table 4. Composite reliability coefficients

HC	CSC	TC	OC	CD	SIZE
0.922	0.952	0.939	0.929	0.909	0.935

Table 4 can be viewed for the whole latent variables (Exogenous variables) have composite reliability coefficients more than 0.6. It means that the whole latent variables like : HC, CSC, TC, OC, CD and Size to fulfill internal consistency measurement.

The other testing for reliability can be obtained by knowing the Cronbach alpha and the result as below from table 5:

Table 5. Cronbach's alpha coefficients

HC	CSC	TC	OC	CD	SIZE
0.898	0.946	0.928	0.912	0.882	0.860

Table 5 indicate Cronbach alpha for the whole latent variables are more than 0.6. It means the entire latent variables (exogenous variables) have fulfilled reliability requirement.

On table 5, the result is for average variances extracted (AVE) that aim to test for convergence validity. Table 6 can viewed for as below:

Table 6. Average variances extracted (AVE)

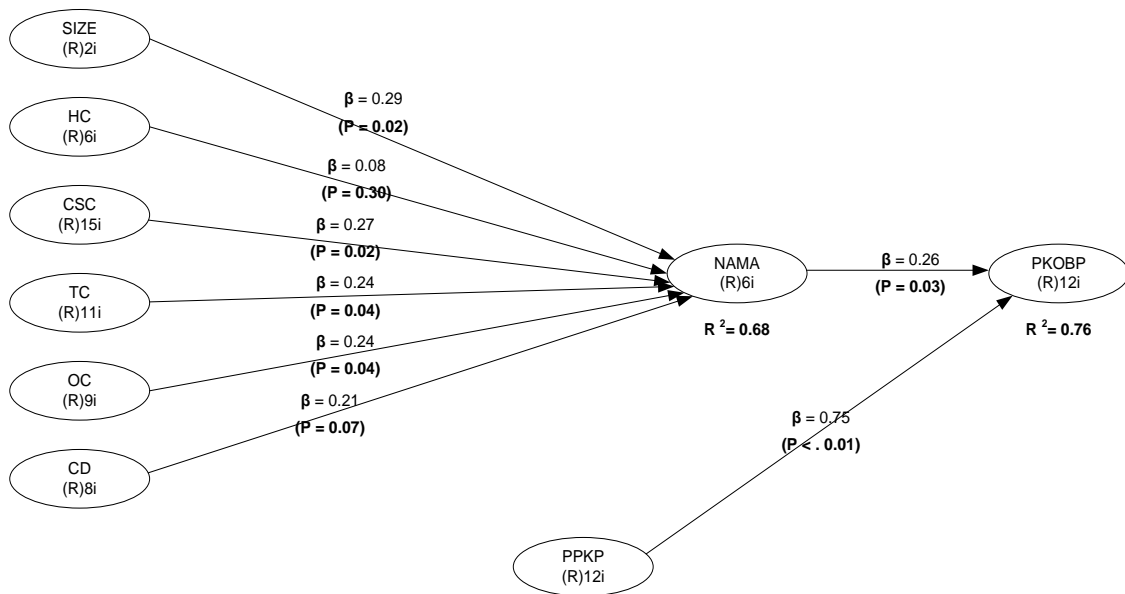
HC	CSC	TC	OC	CD	SIZE
0.664	0.573	0.588	0.597	0.562	0.877

The above table indicates AVE values for the entire latent variables are more than 0.5. This result means the entire variables can be as indicators for at any block.

4.3. Structural Model Testing

On structural model testing stage, the research has to fulfill the specified requirements that are under specific circumstance like this research has only 44 respondents. Because of this, the research has to use specific method to run the data by using partial least square method (small sample). For those sample, partial least square can be used to test a structural model through the R-square value for one endogenous variable in this model (Nama as new adoption management accounting techniques) (first path) that connect to six variables exogenous variables (HC, CSC, TC, OC, CD Size also as latent variables). Beta (regression) coefficient of any exogenous variables (latent variables) can indicate that variable has a significant connection to the one endogenous variable (new adoption management accounting techniques). At this stage the significance value can also be determined by the p-value of each relationship between each of the exogenous variables (latent variables) with an endogenous variable, as shown in Figure for the next page:

Figure 1. Research model of testing result presentation



On the above figure, the figure indicates the testing result from every exogenous variables (Size, HC, CSC,, TC, OC and CD) (Latent variables) affect to endogenous variable (NAMA) (New adoption management accounting techniques) for as below:

1. Organization size (SIZE) (Latent variable or exogenous variable) significantly affect to new adoption management accounting techniques (NAMA) as an endogenous variable). Because the result is for beta coefficient 0.29 with p-value 0.02 indicate the p-value is less than 0.1.

2. High competitiveness (HC) (Latent variable or exogenous variable) does not significantly affect to new adoption management accounting techniques (NAMA) as an endogenous variable). Because the result is for beta coefficient 0.08 with p-value 0.30 indicate the p-value is more than 0.1.

3. Cost system changing (CSC) (Latent variable or exogenous variable) significantly affect to new adoption management accounting techniques (NAMA) as an endogenous variable). This result is because the beta coefficient 0.27 with p-value 0.02 indicates less than 0.1.

4. Technology change (TC) (Latent variable or exogenous variable) significantly affect to new adoption management accounting techniques (NAMA) as an endogenous variable). This result is because the beta coefficient 0.24 with p-value 0.04 indicates less than 0.1.

5. Organization Climate (OC) (Latent variable or exogenous variable) significantly affect to new adoption management accounting techniques (NAMA) as an endogenous variable). This result is because the beta coefficient 0.24 with p-value 0.04 indicates less than 0.1.

6. Consumer demand (CD) (Latent variable or exogenous variable) significantly affect to new adoption management accounting techniques (NAMA) as an endogenous variable). This result is because the beta coefficient 0.21 with p-value 0.07 indicates less than 0.1.

7. New adoption management accounting techniques (NAMA) (Latent variable or exogenous variable) significantly affect to corporate

performance (PKOBP) as an endogenous variable). This result is because the beta coefficient 0.26 with p-value 0.03 indicates less than 0.1.

8. Perception of corporate performance measurements (PPKP) (Latent variable or exogenous variable) significantly affect to corporate performance (PKOBP) as an endogenous variable). This result is because the beta coefficient 0.75 with p-value less 0.01 indicates less than 0.1.

Sequentially, from number 1 up to 6 is the first path (stage) that performs the influence of the factors that have been stated Size, HC, CSC, TC, OC and CD as exogenous variables (latent variables) to new adoption management accounting techniques as an endogenous variable. On the next path (stage), the path shows the influence of new adoption management accounting techniques and the perception of corporate performance measurement as two exogenous variables (both as latent variables) that affect the corporate performance as an endogenous variable. The result has indicated that the two latent variables significantly affect to corporate performance.

5.CONCLUSION, CONSTRAINT AND FUTURE RESEARCH

5.1. Conclusion and Constraint

This research has explored a model of factors to affect new adoption of management accounting techniques using Partial Least Square (PLS) approach. This approach found that coefficient determination for the first path model is 68 %. The meaning is those factors like; Organization Size, HC, CSC, TC, OC and CD influence is around 68% to new adoption of management accounting techniques from research samples. The remaining is 32% from the other factors to affect this variable (new adoption of management accounting concepts).

For the second path, this research found coefficient determination is 76%. This means the perception of corporate performance and new

adoption of management accounting techniques to affect corporate performance are 76%. The remaining is 24% from the other factors to affect to corporate performance.

This result is to describe some factors can affect new adoption techniques, even one variable from high competition (HC) does not affect to new adoption of management accounting techniques. The meaning of this research is this research finds organization size, cost system change, technological change, organization climate and customer demand significant influence the new management accounting techniques adoption, but the whole independent variables (OS, CSC, TC, OC and CD) are not too strong to influence the dependent variable (NAMA) by looking to the table 7 that indicate beta coefficient for independent variable from the first

path model are **less than 0.5 (OS, HC, CSC, TC, OC, CD)**.

The new management accounting techniques adoption and the perception of corporate performance significant influence corporate performance. The two independent variables (NAMA and the perception of corporate performance) are strong by looking to the table 7 that indicate beta coefficient for independent variables from the second path model are **more than 0.5 (NAMA and the perception of corporate performance)**. Specifically, NAMA is really to aim to increase the capacity earning by it could be like some new mechanism in management reporting and decision quality.

The summary of research result is for as below:

Table 7. Summary of Research Result

Dependent and Independent Variables	New Mgt. Adoption β Coefficient	Acct. Tech. P Value	Corporate β coefficient	Performance P Value	R Square From the first path model	R Square From the second path model
Organization Size	0.29	0.02	--	--		
High Competitiveness	0.08	0.30	--	--		
Cost System Change	0.27	0.02	--	--		
Technological Change	0.24	0.04	--	--	0.68	
Organization Climate	0.24	0.04	--	--		
Consumer Demand	0.21	0.07	--	--		
New Mgt. Acct. Tech. Adoption	--	--	0.26	0.03		0.76
The Perception of Corp. Performance	--	--	0.75	0.01		

This research faces some constraint, for as below:

1. Knowledge of respondents does not match with the form questioners.
2. The form questioners are too long and high level language.
3. It is not easy to find respondents to fill this questioner like, lack time, busy time and some tight procedures.
4. This research sample is small only 44 respondents that can perfectly answer as reseracg requirements.
5. The research can only use specific statistical software to run small sample, PLS software.

5.2. Future Research

The research must simplify the form of questioners to make respondents to fill that questioner easily. This also aims to increase amount of respondents to participate in this research. We propose to include some variables and indicators in order to obtain perfect model. If the research sample is big data, therefore we can use the right software and get a best result to generalize this finding or the research can accomplish new finding or new theory in this field research.

REFERENCES:

1. Abdel-Kader, M., & Luther, R. (2006). Management accounting practices in the British food and drinks industry. *British Food Journal*, 108 (5), 336-357.
2. Adam, S. M., & Fred, A. J. (2008). Extent of ABC use

and its consequence. *Contemporary Accounting Research*, 25 (2), 533-566.

3. Ajzen, I. (1996). The Directive Influence of Attitudes on Behavior. In: Gollwitzer, P.M., Bargh, J.A. (Eds.), *The Psychology of Action: Linking Cognition and Motivation to Behavior*. Guilford Press, New York, 385-405.
4. Ajzen, I., Fishbein, M. (1980). *Understanding Attitudes and Predicting Social Behavior*. Prentice Hall: Englewood Cliffs, NY.
5. Al-Omiri, M., & Drury, C. (2007a). Organizational and behavioral factors influencing the adoption and success of ABC in the UK. *Cost Management*, 21 (6), 38-48.
6. Al-Omiri, M., & Drury, C. (2007b). A survey of factors influencing the choice of product costing systems in UK organizations. *Management Accounting Research*, 18 (4), 399-424.
7. Anderson, S. W., Young, S. M. (1999). The impact of contextual and process factors on the evaluation of activity-based costingsystems. *Accounting Organizations and Society*, 24 (7), 525-559.
8. Askarany, D. (2003). An overview of the diffusion of advanced techniques. In B. F. Tan (Ed.), *Advanced topics in global information* (2, 225-250). London: IDEA Group Publishing.
9. Askarany, D. (2006). Characteristics of adopters and organizational changes. *Thunderbird International Business Review*, 48 (5), 705-725.
10. Askarany, D., & Smith, M. (2004). Contextual factors and administrative changes. *Issues in Informing Science and Information*
11. Askarany, D., & Smith, M. (2008). Diffusion of innovation and business size: A longitudinal study of PACIA. *Manageria Auditing Journal*, 23 (9), 900-916.

12. Askarany, D., Smith, M., & Yazdifar, H. (2007a). Attributes of innovation and the implementation of managerial tools: An activity-based management technique. *International Journal of Business and Systems Research*, 1(1), 98-114.
13. Askarany, D., Smith, M., & Yazdifar, H. (2007b). Technological innovations, activity based costing and satisfaction. *JABM: Journal of Accounting, Business & Management*, 14, 53-63.
14. Askarany, D., & Yazdifar, H. (2007). Why ABC is not widely implemented?. *International Journal of Business Research (IJBR)*, 7 (1), 93-98.
15. Askarany, D., & Yazdifar, H. (2009). Supply chain management and cost accounting. Paper presented at The Business & Economics Society International (B&ESI).
16. Askarany, D., & Yazdifar, H. (2012). An investigation into the mixed reported adoption rates for ABC: Evidence from Australia, New Zealand and the UK. *International Journal of Production Economics*, 135 (1), 430-439.
17. Askarany, D., Yazdifar, H., & Askary, S. (2010). Supply chain management, activity-based costing and organizational factors. *International Journal of Production Economics*, 127 (2), 238-248.
18. Baird, K. (2007). Adoption of activity management practices in public sector organizations. *Accounting and Finance*, 47 (4), 551-569.
19. Baird, K., Harrison, G. L., & Reeve, R. (2007). Success of activity management practices: The influence of organizational and cultural factors. *Accounting and Finance*, 47 (1), 47-67.
20. Berling, P. (2008). Holding cost determination: An activity-based cost approach. *International Journal of Production Economics*, 112(2), 829-840.
21. Björnenak, T., & Olson, O. (1999). Unbundling management accounting innovations. *Management Accounting Research*, 10, 325-338.
22. Booth, P., & Giacobbe, F. (1998, September). The impact of demand and supply factors in the diffusion of accounting innovations: The adoption of activity-based costing in Australian manufacturing firms. Paper presented at The Management Accounting Conference, Sydney.
23. Cadez, S., & Guilding, C. (2008). An exploratory investigation of an integrated contingency model of strategic management accounting. *Accounting, Organizations and Society*, 33(7/8), 836-863.
24. Chenhall, R. H., & Euske, K. J. (2007). The role of management control systems in planned organizational change: An analysis of two organizations. *Accounting, Organizations and Society*, 32(7/8), 601-637.
25. Chenhall, R. H., & Langfield-Smith, K. (1998). Adoption and benefits of management accounting practices: An Australian study. *Management Accounting Research*, 9 (1), 1-19.
26. Cho, H. J., & Pucik, V. (2005). Relationship between innovativeness, quality, growth, profitability, and market value. *Strategic Management Journal*, 26 (6), 555-575.
27. Cobb, I., Helliard, C., Innes, J. (1995). Management accounting change in a bank. *Management Accounting Research*, 6 (2), 155-175. (doi:10.1006/mare.1995.1009).
28. Cobb, I., Innes, J., & Mitchell, F. (1993). Activity-based costing problems: The British experience. *Advances in Management Accounting*, 2, 63-83.
29. Cotton, W. D. J., Jackman, S. M., & Brown, R. A. (2003). Note on a New Zealand replication of the Innes et al. UK activity-based costing survey. *Management Accounting Research*, 14 (1), 67-72.
30. Englund, H., & Gerdin, J. (2008). Transferring knowledge across sub-genres of the ABC implementation literature. *Management Accounting Research*, 19 (2), 149-162.
31. Gosselin, M. (1997). The effect of strategy and organizational structure on the adoption and implementation of activity based costing. *Accounting Organizations and Society*, 22 (2), 105-122.
32. Innes, J., & Mitchell, F. (1995). A survey of activity-based costing in the U.K.'s largest companies. *Management Accounting Research*, 6 (2), 137-153.
33. Innes, J., Mitchell, F., & Sinclair, D. (2000). Activity-based costing in the U.K.'s largest companies: A comparison of 1994 and 1999 survey results. *Management Accounting Research*, 11 (3), 349-362.
34. Langfield-Smith, K. (1997). Management control system and strategy: A critical review. *Accounting Organizations and Society*, 22 (2), 207-232.
35. Lapsley, L., & Wright, E. (2004). The diffusion of management accounting innovations in the public sector: A research agenda. *Management Accounting Research*, 15 (3), 355-374.
36. Lincoln, Y., & Guba, E. (1985). *Naturalistic inquiry*. Beverly Hills, CA: SAGE.
37. Miller, P. (1998). The margins of accounting. *European Accounting Review*, 7 (4), 605-621.
38. Miller, P., Kurunmäki, L., & O'Leary, T. (2008). Accounting, hybrids and the management of risk. *Accounting, Organizations and Society*, 33(7/8), 942-967.
39. Nicolaou, A.I., Masoner, M.M., Welker, R.B., 1995. Intent to enhance information systems as a function of system success. *Journal of Information Systems*, 9 (2), 93-108.
40. Pierce, B. (2004). Activity based costing. *Accountancy Ireland*, 36 (5), 28-31.
41. Qian, L., & Ben-Arieh, D. (2008). Parametric cost estimation based on activity-based costing: A case study for design and development of rotational parts. *International Journal of Production Economics*, 113 (2), 805-818.
42. Rogers, E. M. (2003). *Diffusion of innovations*. New York: Free Press.
43. Rovik, K. A. (1996). Deinstitutionalization and the logic of fashion. In B. Czarniawska & G. Sevón (Eds.), *Translating organizational change* (139-172). Berlin: De Gruyter.
44. Wang, W. Y. C., Heng, M. S. H., & Chau, P. Y. K. (2010). The adoption behavior of information technology industry in increasing business-to-business integration sophistication. *Information Systems Journal*, 20 (1), 5-24.
45. Yazdifar, H., & Askarany, D. (2009). A comparative investigation into the diffusion of management accounting innovations in the UK, Australia and New Zealand. *Chartered Institute of Management Accountant (CIMA)*, 5 (12), 1-11.
46. Yazdifar, H., & Askarany, D. (2012). A comparative study of the adoption and implementation of target costing in the UK, Australia and New Zealand. *International Journal of Production Economics*, 135 (1), 382-392.
47. Yazdifar, H., Askarany, D., Askary, S., & Daneshfar, A. (2005). Power and politics and their interrelationship with management accounting change. *International Journal of Knowledge, Culture and Change Management*, 5 (5), 148-157.