

# AN INCREASING STRATEGIC COST MANAGEMENT AND ORGANIZATIONAL ACHIEVEMENT FROM ELECTRONICS PARTS BUSINESSES IN THAILAND

หลักการบริหารต้นทุนเชิงกลยุทธ์ที่เหนือกว่าย่อมส่งผลสำเร็จต่อองค์กรธุรกิจชิ้นส่วนอิเล็กทรอนิกส์ในประเทศไทย

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## Abstract

This research attempts to investigate the relationship between an increasing strategic cost management and organization achievement through mediating effect of managerial information benefit, decision making valuable and business productivity excellence. Accounting system support is a moderating variable on the relationship among strategic cost management and consequence variables. The key research question is how an increasing strategic cost management has an influence on organization achievement. Questionnaire is used as an instrument for data collection. Here, 129 accounting managers or accounting executives from the electronics parts businesses in Thailand were selected as key informant. The Ordinary Least Squares (OLS) regression analysis is employed to examine all hypotheses. The results indicate that some dimensions of strategic cost management, namely cost allocation concentration, technology usefulness quality and competitor information richness have a partial significant positive effect on managerial information benefit, decision making valuable and business productivity excellence. Moreover, managerial information benefit, decision making valuable and business productivity excellence has a significant positive effect on organization achievement. Likewise, managerial information benefit and business productivity excellence have an influence positive on decision making valuable. Finally, the moderating shows some partial support for hypotheses derived from the conceptual model. Managerial contributions are explicitly provided. Conclusion, suggestions and directions of the future research are highlighted.

**Keywords:** Strategic Cost Management, Organizational Achievement, Accounting System Support

### บทคัดย่อ

วัตถุประสงค์ของการวิจัยเพื่อต้องการศึกษาถึงความสัมพันธ์ระหว่างหลักการบริหารต้นทุนเชิงกลยุทธ์ที่เหนือกว่า ย่อมส่งผลสำเร็จต่อองค์กร โดยมีตัวแปรเชื่อมกลางประกอบด้วย การใช้ข้อมูลบริหารอย่างมีคุณค่า การตัดสินใจที่มีความหมาย และความเป็นเลิศในการบริหารธุรกิจ ส่วนตัวแปรระบบบัญชีที่กระชับเป็นตัวแปรแทรกเพื่อศึกษาความสัมพันธ์ระหว่างตัวแปรการบริหารต้นทุนเชิงกลยุทธ์กับตัวแปรเชื่อมกลาง การวิจัยครั้งนี้ใช้แบบสอบถามเป็นเครื่องมือในการเก็บข้อมูลจากผู้บริหารฝ่ายบัญชีของธุรกิจชิ้นส่วนอิเล็กทรอนิกส์จำนวน 129 ราย โดยใช้สถิติในการวิเคราะห์การถดถอยและทดสอบสมมติฐาน ผลจากการศึกษาพบว่า ตัวแปรการจัดสรรต้นทุนอย่างระมัดระวัง การใช้เทคโนโลยีอย่างมีคุณค่า และความสมบูรณ์ของข้อมูลคู่แข่ง ส่งผลกระทบต่อการใช้ข้อมูลบริหารอย่างมีคุณค่า การตัดสินใจที่มีความหมาย และความเป็นเลิศในการบริหารธุรกิจ นอกจากนี้ ตัวแปรเชื่อมกลางทุกตัวมีความสัมพันธ์เชิงบวกต่อความสำเร็จขององค์กร ในทำนองเดียวกัน ตัวแปรการใช้ข้อมูลบริหารอย่างมีคุณค่า และตัวแปรความเป็นเลิศในการบริหารธุรกิจต่างก็มีความสัมพันธ์เชิงบวกกับตัวแปรการตัดสินใจที่มีความหมาย ส่วนตัวแปรแทรกส่งผลกระทบต่อเชิงบวกบางส่วนเท่านั้น ท้ายสุด การวิจัยครั้งนี้ก่อให้เกิดแนวคิดใหม่ ๆ ในการนำหลักการบริหารต้นทุนเชิงกลยุทธ์ที่เหนือกว่าเข้ามาบริหารจัดการต้นทุนเพื่อนำไปวางแผนในระยะยาว ก่อให้เกิดประสิทธิภาพและความสำเร็จในองค์กร นอกจากนี้ยังสามารถนำไปต่อยอดในอนาคตได้

**คำสำคัญ :** หลักการบริหารต้นทุนเชิงกลยุทธ์, ความสำเร็จขององค์กร, ระบบบัญชีที่กระชับ

### INTRODUCTION

Since the principal aim of enterprises is to gain profit, they seek to keep costs under control by applying strategic cost management. The principal aim of the cost management system is to help enterprises maximize their profit. For achieving this aim, contemporary enterprises should constantly improve themselves and get ready for the future as well as competing under today's circumstances. Therefore, enterprises should achieve global competition and continuous improvement while establishing their cost management systems.

These changes have an impact on the environment around companies, change continuously, and demand customers a suitable price for extend higher quality of product/services. They also increasingly influence the firms' behavior to seek new modern strategies to re-organize with new suitable techniques or innovative technology,

and to have more cost management systems in order to get useful information for decision making. This keen competition forces firms to deal with a dynamic and changing economy with appropriate strategies that lead to competitive advantage. Companies still need to survive and sustain their business growth by reviewing and revising their strategies, especially in terms of strategic cost management, which is one of the means of try to achieving an organization's strategic objectives.

Cost management has moved from a traditional role to a strategic role, the role of strategic cost management is the one key important that provides cost information to support the achievement of the firm's objective and strategic goals. Strategic cost management is built on the both cost accounting and management accounting and assumes knowledge of both. It can be helping the better management of resources, and increased

competitive advantage in terms of costs, quality and firm profitability [1]. In addition, strategic cost management is also a set of techniques which frame the cost calculation system that functions towards aiding the decision making process, the achievement of the goal and activities of the firm.

A number of researchers has pointed out that strategic cost management has played an important role in managing organizations in the current situation. The method has introduced new innovation and has increased working value for organizations. Hence, strategic cost management has become one of the key factors in dynamic working improvement by integrating in various fields of knowledge within the organizations.

The population of this study is the business of electronic parts in Thailand because Thailand is the country's leading exporter of electronic components for more than a decade ago and has become an increasingly important part of the Thai economy [2]. Accounting manager or accounting executive is selected as participants. Moreover, the manufacturing industry, especially electronics parts are facing a more competitive account of the management is one of the techniques of management accounting.

The main purpose of this study is to examine the effects of strategic cost management on organizational achievement via managerial information benefit, decision making valuable and business productivity excellence. Also, this study examines the moderating effects of accounting system support. The key research questions in the current study are of the follows: (1) how does each dimension of strategic cost management affect managerial information benefit, decision making

valuable and business productivity excellence?, (2) how do managerial information benefit, decision making valuable and business productivity excellence affect organizational achievement?, (3) how do managerial information benefit and business productivity excellence have an influence on decision making valuable?, (4) how does accounting system support moderate the relationships among strategic cost management and managerial information benefit, decision making valuable and business productivity excellence?

## THEORETICAL FOUNDATION

This study attempts to investigate strategic cost management by utilizing three theories including, Transaction cost theory, dynamic capability theory and contingency theory to explain the conceptual model. Transaction cost theory in the context of strategic cost management supports improvements in decision making, helps set priorities and improves a firm's competitive advantage [3]. In addition, the dynamic capability is applied to explain "why firms must learn to adapt, integrate, change and develop their resources and competencies continuously in order to achieve the goal?" Contingency theory declares that a firm's performance is attributable to the match between its strategic behaviors and its internal and external environmental situations.

## LITERATURE REVIEW AND RESEARCH

### HYPOTHESES DEVELOPMENT

Under the conditions of the new economy, strategic cost management focuses on easing management's decision making by providing information on costs and other information in the processes of strategic analysis. This construct consist of four dimensions: cost

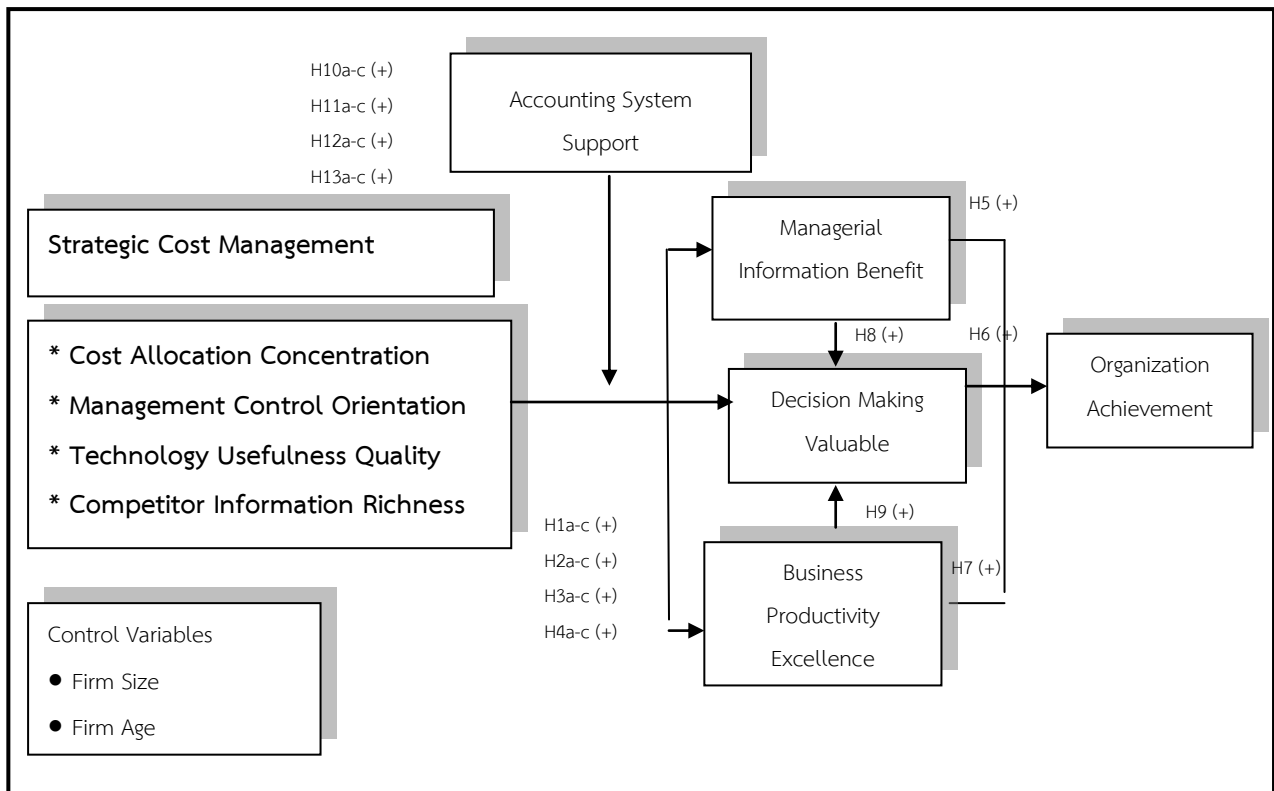
allocation concentration, management control orientation, technology usefulness quality and competitor information richness. Then, a conceptual model of this study is presented as shown in Figure 1 below

**1 Strategic Cost Management** is implied in the usefulness of cost information to develop and implement strategies to acquire or sustain competitive advantage. Moreover, strategic cost management is important to firms because it is more than focusing on costs. At this point, this study defines strategic cost management as a

philosophy, an attitude, and a set of techniques to provide in create at cost effectiveness.

**1.1 Cost Allocation Concentration** refers to the importance of the criteria for the appropriation of costs associated with the products and services and consistent with the situation to get an accurate cost [4]. Cost allocation concentration can add cost and profit is right, and also allows managers to understand the resources used in the company's value in delivering results-oriented strategy [5].

**Figure 1 :** Conceptual Model of an increasing strategic cost management and organizational achievement from electronics parts businesses in Thailand



**1.2 Management Control Orientation** refers to the focus on methods and develops a good tracking performance to make the operation as planned and effective [6]. Any organization has management control that would benefit the organization in the system.

**1.3 Technology Usefulness Quality** refers to level of organization to achieve and use technology for support cost management activities on customer's responsiveness in the right time [7]. found that group management skills, learning culture are important to the development of technological capability.

**1.4 Competitor Information Richness** focus on the firms' perception about the concentration on competition for product differentiation and product cost of their competitors in the market, and the firms' ability to collect and to analyze information usefulness for decision-making which includes information that indicates that competitor information analysis is fundamental to the pursuit of competitiveness. To summarize, the hypotheses are posited as follows:

*Hypothesis 1-4: The greater strategic cost management is, the more likely that firms will achieve higher (a) managerial information benefit; (b) decision making valuable; and (c) business productivity excellence.*

## 2 Mediating Effects of Consequences

**2.1 Managerial Information Benefit** refers to the utility of operational management accounting information which is accurate, complete, adequate and reliable that used for planning and decision making correctly and timely.

**2.2 Decision Making Valuable** as a strategy in decision processes and rationales of firm to choose the best decision from various alternatives after considering factors. A manager's ability to manage depends on good decision making made through the most efficient course of action to achieve a specified objective.

**2.3 Business Productivity Excellence** as the ability of the organization to operate efficiently which is indicated by the proportion inputs or economic resource (e.g., material, energy, time and use of labor) less relative to the proportion outputs (e.g., product, volume or product quality). To summarize, the hypotheses are posited as follows:

*Hypothesis 5: The higher managerial information benefit is, the more likely that the businesses will gain greater organizational achievement.*

*Hypothesis 6: The higher decision making valuable is, the more likely that the businesses will gain greater organizational achievement.*

*Hypothesis 7: The higher business productivity excellence is, the more likely that the businesses will gain greater organizational achievement.*

*Hypothesis 8: The managerial information benefit is positively related to decision making valuable.*

*Hypothesis 9: The business productivity excellence is positively related to decision making valuable.*

### **3 Moderating Effects of accounting system support**

Accounting system support refers to the quality of the methods or tools used to collect the accounting and application of accounting consistent with the good operation results to support the preparation and presentation of financial reports [8]. Therefore, hypotheses are formulated as follows:

*Hypotheses 10-13: The higher the accounting system support is, the more likely that firm will moderate the relationship among strategic cost management and (a) managerial information benefit, (b) decision making valuable, and (c) business productivity excellence.*

## **Research Methods**

### **1 Sample selection and data collection procedure**

Electronics parts businesses in Thailand for this study are 605 samples drawn from the database of the Department of Business Development, Ministry of Commerce Thailand (<http://www.dbd.go.th>) on March 21, 2014. Steps to mail survey questionnaires used to collect data, key participants are accounting manager or accounting executive. The valid mailing was 589 surveys, from which 129 responses were received of the questionnaires completed and usable.

### **2 Questionnaire Development and Variable Measurement**

In this study, a questionnaire consists of six parts. Part one asks for personal information. Part two is about general information electronics parts businesses in Thailand. Part

three is related evaluating each of constructs in the conceptual model. The questions in the fourth part measure consequence of strategic cost management. In the fifth part, the moderator variable was detailed. Finally, an open-ended question is included in part sixth.

In this conceptual model, all variables measured on the five point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree) excluding control variables. Additionally, all of constructs are developed for measuring from the definition of each construct and relevant literature review.

### **2.1 Dependent variable**

Organizational achievement is measured by the increasing of opportunity to achieve goal, ability to avoid risk, reducing of damage occurs, operational improvement, and customer satisfaction.

### **2.2 Independent variables**

This study considered four independent variables. Firstly, cost allocation concentration is measured by the allocation of costs to be allocated, as a way of accounting, reflecting the use of resources and costs involved and in accordance with the actual situation. Secondly, management control orientation is measured by the good control of the operation as planned, the pursuit of management control system to operate effectively to reflect the creation of income and control expenditure incurred and the force. Thirdly, technology usefulness quality is measured by the level of organization to achieve and use technology for support management activities. Finally, competitor information richness is measured by

the ability of the firm to analyze and summarize competitors' cost information focusing on cost structures of competitors.

### 2.3 Mediating Variables

There are three variables considered in this study as consequence of strategic cost management. Firstly, managerial information benefit is measured by accurately, completely, adequately, reliable and relevant of management information for make decision correctly and timely. Secondly, decision making valuable is measured by decision processes and rationales of firm to choose the best decision from various alternatives after considering factors such as cost management information and right dimension in order to development advantage in the competitive market on foundation of superior cost information. Finally, business productivity excellence is measured that is able to improve productivity by increasing the proportion of output to input.

### 2.4 Moderating Variable

Accounting system support is measured by the capacity and modernity of information technology into processing and report accounting information.

### 2.5 Control Variables

Two control variables are included to account for firm characteristics that may influence the hypothesized relationships which are firm size and firm age. Firm size is measured by total assets of the firm, that is a dummy variable (0 = total assets of the firm that less

than 100,000,000 Baht, while 1 = total assets for the firm that equal or more than 100,000,000 Baht). Firm age is measured by number of years that a firm has been in operation (0 = number of year that less than 10 years, while 1 = number of years that equal or more than 10 years).

## 3 Reliability and Validity

Factor analysis was implemented to assess the underlying relationships of a large number of items and to determine whether they can be reduced to a smaller set of factors. The factor analysis conducted was done separately on each set of items representing a particular scale due to limited observations. With respect to the confirmatory factor analysis, this analysis has a high potential to inflate the component loadings. Thus, a higher rule-of-thumb, a cut-off value of 0.40, was adopted [9]. All factors loading are greater than the 0.40 cut-off and are statistically significant. The reliability of the measurements was secondly evaluated by Cronbach alpha coefficients. In the scale reliability, Cronbach alpha coefficients are greater than 0.70. This scale of all measures appears to produce internally consistent results; thus, these measures are deemed appropriate for further analysis because they express an accepted validity and reliability in this study.

**Table 1** The results of measure validation

| Variables                              | Factor Loadings | Cronbach's Alpha |
|--|-----------------|------------------|
| Cost Allocation Concentration (CAC)    | .794 - .865     | .852             |
| Management Control Orientation (MCO)   | .890 - .971     | .949             |
| Technology Usefulness Quality (TUQ)    | .712 - .741     | .695             |
| Competitor Information Richness (CIR)  | .698 - .872     | .817             |
| Managerial Information Benefit (MIB)   | .836 - .916     | .892             |
| Decision Making Valuable (DMV)         | .780 - .927     | .884             |
| Business Productivity Excellence (BPE) | .741 - .929     | .885             |
| Organizational Achievement (OA)        | .785 - .876     | .828             |
| Accounting System Support (ASS)        | .772 - .913     | .878             |

#### 4 Statistical Techniques

The Ordinary Least Squares (OLS) regression analysis is used to test and examine the hypotheses following the conceptual model. All variables were neither nominal data

nor categorical data; OLS is an appropriate method for examining the hypotheses relationships [10]. The equation models of the aforementioned relationships are shown as follows:

$$\text{Equation 1: } MIB = \alpha_1 + \beta_1 CAC + \beta_2 MCO + \beta_3 TUQ + \beta_4 CIR + \beta_5 FS + \beta_6 FA + \epsilon$$

$$\text{Equation 2: } MIB = \alpha_2 + \beta_7 CAC + \beta_8 MCO + \beta_9 TUQ + \beta_{10} CIR + \beta_{11} ASS + \beta_{12} (CAC*ASS) + \beta_{13} (MCO*ASS) + \beta_{14} (TUQ*ASS) + \beta_{15} (CIR*ASS) + \beta_{16} FS + \beta_{17} FA + \epsilon$$

$$\text{Equation 3: } DMV = \alpha_3 + \beta_{18} CAC + \beta_{19} MCO + \beta_{20} TUQ + \beta_{21} CIR + \beta_{22} FS + \beta_{23} FC + \epsilon$$

$$\text{Equation 4: } DMV = \alpha_4 + \beta_{24} CAC + \beta_{25} MCO + \beta_{26} TUQ + \beta_{27} CIR + \beta_{28} ASS + \beta_{29} (CAC*ASS) + \beta_{30} (MCO*ASS) + \beta_{31} (TUQ*ASS) + \beta_{32} (CIR*ASS) + \beta_{33} FS + \beta_{34} FA + \epsilon$$

$$\text{Equation 5: } BPE = \alpha_5 + \beta_{35} CAC + \beta_{36} MCO + \beta_{37} TUQ + \beta_{38} CIR + \beta_{39} FS + \beta_{40} FA + \epsilon$$

$$\text{Equation 6: } BPE = \alpha_6 + \beta_{41} CAC + \beta_{42} MCO + \beta_{43} TUQ + \beta_{44} CIR + \beta_{45} ASS + \beta_{46} (CAC*ASS) + \beta_{47} (MCO*ASS) + \beta_{48} (TUQ*ASS) + \beta_{49} (CIR*ASS) + \beta_{50} FS + \beta_{51} FA + \epsilon$$

$$\text{Equation 7: } DMV = \alpha_7 + \beta_{52} MIB + \beta_{53} FS + \beta_{54} FA + \epsilon$$

$$\text{Equation 8: } DMV = \alpha_8 + \beta_{55} BPE + \beta_{56} FS + \beta_{57} FA + \epsilon$$

$$\text{Equation 9: } OA = \alpha_9 + \beta_{58} MIB + \beta_{59} DMV + \beta_{60} BPE + \beta_{61} FS + \beta_{62} FA + \epsilon$$



## Result and discussion

In Table 2, the descriptive statistics and correlation matrix for all variables are presented. With respect to potential problems relating to multicollinearity, variance inflation factors (VIF) were used to provide information on the extent to which non-orthogonality among independent

variables inflates standard errors. The VIFs range from 2.518 - 3.256 (Table 3), are well below the cut-off value of 10 [11] meaning the independent variables are not correlated with each other. Therefore, there are no substantial multicollinearity problems encountered in this study.

**Table 2** Descriptive statistics and correlation matrix

| Variables | CAC     | MCO     | TUQ     | CIR     | MIB     | DMV     | BPE     | ASS     | FS     | FA     |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|
| Mean      | 4.452   | 4.438   | 4.312   | 4.348   | 4.413   | 4.366   | 4.426   | 4.436   | 2.470  | 2.790  |
| SD        | .468    | .515    | .512    | .543    | .478    | .519    | .531    | .438    | .264   | .337   |
| CAC       | 1       |         |         |         |         |         |         |         |        |        |
| MCO       | .641*** | 1       |         |         |         |         |         |         |        |        |
| TUQ       | .536*** | .613*** | 1       |         |         |         |         |         |        |        |
| CIR       | .618*** | .571*** | .758*** | 1       |         |         |         |         |        |        |
| MIB       | .534*** | .624*** | .591*** | .816*** | 1       |         |         |         |        |        |
| DMV       | .563*** | .551*** | .505*** | .678*** | .693*** | 1       |         |         |        |        |
| BPE       | .524*** | .503*** | .515**  | .608*** | .553*** | .643*** | 1       |         |        |        |
| ASS       | .473*** | .475*** | .512*** | .605*** | .550*** | .546*** | .825*** | 1       |        |        |
| FS        | .443*** | .534*** | .536*** | .691*** | .609*** | .617*** | .645*** | .724*** | 1      |        |
| FA        | .436*** | .456*** | .534*** | .606*** | .551*** | .545*** | .524*** | .640*** | .277** | .307** |

\*\*\*  $p < .01$ , \*\*  $p < 0.05$

### 1 Influences of strategic cost management and consequences

Table 3 presents the results of OLS regression analysis that affects four dimensions of strategic cost management on managerial information benefit, decision making valuable and business productivity excellence. The hypotheses predicted positive relationships. The results show that cost allocation concentration has significant positive impact on managerial information benefit ( $\beta_1 = 0.31$ ,  $p < 0.05$ ), and decision making valuable ( $\beta_{18} = 0.32$ ,  $p < 0.05$ ).

[12] suggests that useful managerial information is very important for both inside and outside users to support decision making relating to operation. Moreover, the benefit of information is perceived that can be used to decide correctly and timely following to the objectives of firms. Besides, cost allocation concentration has no significant impact on business productivity excellence ( $\beta_{35} = 0.21$ ,  $p > 0.05$ ). Hence, hypotheses 1a-b was supported but hypothesis 1c was not supported. Consequently, management control orientation has no significant positive impact on all

consequences ( $\beta_2= 0.14, p> 0.05, \beta_{19}= 0.09, p> 0.05, \beta_{36}= -0.02, p> 0.05$ ). Therefore, hypotheses 2a-c were not supported. In addition, technology usefulness quality has significant positive impact on managerial information benefit ( $\beta_3, 0.42, p < 0.05$ ) but has no significant impact on decision making valuable ( $\beta_{20} 0.14, p> 0.05$ ), business productivity excellence ( $\beta_{37}= -0.03, p> 0.01$ ). Thus, hypothesis 3a was supported but hypotheses 3b-c were not supported. Technology usefulness quality can enhance organizations achievement be reducing the lead-time and cost process. Furthermore, competitor information richness has no significant positive impact on managerial information benefit ( $\beta_4= 0.22, p> 0.05$ ), decision making valuable ( $\beta_{21}= 0.21, p> 0.05$ ) but has a significant positive impact on business productivity excellence ( $\beta_{38}= 0.51, p < 0.05$ ). Thus, hypotheses 4a-b were not supported but hypothesis 4c was support. The way of improving efficient operations includes reducing material, labor energy and time in the working process while maintaining constant output or increasing output while maintaining constant input [13].

Surprising, in Table 3 the accounting system support has a significant positive on decision making valuable ( $\beta_{28}= 0.38, p < 0.05$ ). [14] stated that accounting system has become the core operation system of the firm used to process transactions data from several functions to provide the reliable and usefulness accounting information for managements for decision making in order to increase performance and create organization achievement and profitability.

Subsequently, the moderating effect of accounting system support on the relationships between strategic cost management and its consequences is investigated. The results in Table 3 present that accounting system support no effect on the relationships among cost allocation concentration ( $\beta_{12}= 0.12, p> 0.05; \beta_{29}= 0.05, p> 0.05; \beta_{46} = 0.08, p > 0.05$ ), management control orientation ( $\beta_{13}= -0.13, p> 0.05; \beta_{30}= 0.30, p> 0.05; \beta_{47} = 0.23, p> 0.05$ ) that all consequences. Thus, hypotheses H10a-c and H11a-c were not supported. On the contrast, accounting system support has effect on the relationships between technology usefulness quality and decision making valuable ( $\beta_{31}= 0.37, p < 0.05$ ) but no effect on relationships between technology usefulness quality and managerial information benefit, business productivity excellence ( $\beta_{14}= 0.19, p> 0.05; \beta_{48}= 0.06, p> 0.05$ ). Then, hypothesis H12b was supported. The interaction between competitor information richness and accounting system support on managerial information benefit has significant relation ( $\beta_{15}= 0.28, p < 0.05$ ). Thus, hypothesis 13a was supported, but hypotheses 13b-c were not supported. Managerial accountants must be able to provide their firms with information about the cost and strategies of competing firms. Hence, a manager's ability to manage depends on good decision making made through the most efficient course of action to achieve a specified objective.

## 2 Influences of consequences and organizational achievement

Table 3 presents of OLS regression analysis, that managerial information benefit,

decision making valuable and business productivity excellence have an effects on organizational achievement. The results show that managerial information benefit has a significant positive influence on decision making valuable and organizational achievement ( $\beta_{52}= 0.50$ ,  $p<0.05$ ;  $\beta_{58}= 0.44$ ,  $p<0.05$ ). Therefore, hypotheses H5 and H8 were supported. Besides, business productivity excellence has a significant positive effect on decision making valuable and organizational achievement ( $\beta_{55}= 0.48$ ,  $p<0.05$ ;

$\beta_{60}= 0.31$ ,  $p<0.05$ ). Thus, hypotheses H7 and H9 were supported. Moreover, decision making valuable has a significant effect on organizational achievement ( $\beta_{59}= 0.28$ ,  $p< 0.05$ ). Hence, hypothesis H6 was supported. Prior research demonstrated that firms with the higher degree of managerial accounting system implementation effectiveness lead to the higher degree of information quality, provides guidance and value-added supports in order to help the firm success and improve stability of the firm [15].

**Table 3** The results of OLS Regression analysis<sup>a</sup>

| Independent Variables                    | Dependent Variables                          |  |  |   |   |
|--|--|--|--|---|---|
|  | Equation 9:<br>Organizational<br>Achievement | Equation 1, 2:<br>Managerial<br>Information<br>Benefit | Equation 3, 4:<br>Decision<br>Making<br>Valuable | Equation 5,6:<br>Business<br>Productivity<br>Excellence | Equation<br>7, 8:<br>Decision<br>Making<br>Valuable |
| Cost Allocation Concentration<br>(CAC)   |  | 0.31**<br>(0.14)                                       | 0.32**<br>(0.16)                                 | 0.21<br>(0.14)  |   |
| Management Control<br>Orientation (MCO)  |  | 0.14<br>(1.44)   | 0.09<br>(0.15)                                   | -0.02<br>(0.15)   |   |
| Technology Usefulness Quality<br>(TUQ)   |  | 0.42**<br>(0.15)                                       | 0.14<br>(0.16)                                   | -0.03<br>(0.15)   |   |
| Competitor Information<br>Richness (CIR) |  | 0.22<br>(0.17)   | 0.21<br>(0.19)                                   | 0.51**<br>(0.18)  |   |
| Accounting System Support<br>(ASS)       |  | 0.05<br>(0.19)   | 0.38**<br>(0.19)                                 | 0.29<br>(0.21)  |   |
| CAC x ASS                                |  | 0.12<br>(0.14)   | 0.05<br>(0.14)                                   | 0.08<br>(0.16)  |   |
| MCO x ASS                                |  | -0.13<br>(0.24)  | 0.30<br>(0.24)                                   | 0.23<br>(0.27)  |   |
| TUQ x ASS                                |  | 0.19<br>(0.20)   | 0.37**<br>(0.20)                                 | 0.06<br>(0.22)  |   |
| CCEA x ASS                               |  | 0.28**<br>(0.20)                                       | -0.13<br>(0.20)                                  | -0.23<br>(0.22)   |   |
| Managerial Information Benefit<br>(AID)  | 0.44**<br>(0.14)                             |  |  |   | 0.50**<br>(0.17)                                    |
| Business Productivity Valuable<br>(BPE)  | 0.31**<br>(0.13)                             |  |  |   | 0.48**<br>(0.19)                                    |
| Decision Making Valuable<br>(DMV)        | 0.28**<br>(0.16)                             |  |  |   |   |
| Firm Size (FS)                           | -0.44<br>(0.24)                              | -0.49<br>(0.26)  | -0.35<br>(0.25)                                  | -0.26<br>(0.26)   | 0.02<br>(0.27)                                      |
| Firm Age (FA)                            | 0.19<br>(0.23)                               | 0.24<br>(0.25)   | 0.14<br>(0.24)                                   | 0.07<br>(0.25)  | -0.11<br>(0.26)                                     |
| Adjusted R square                        | 0.50   | 0.54   | 0.46   | 0.55  | 0.36  |
| Maximum VIF                              | 3.256  | 3.256  | 3.256  | 3.256   | 2.518   |

Note: The value of the beta coefficients are in the first row. Below are the values of standard error in the parenthesis.

\* p < 0.10, \*\* p < 0.05 \*\*\* p < 0.01

## Contributions

This study also provides more contribution to firm owners and managers for decision making in their planning and control. Managers can apply the suitable strategy by implementation of strategic cost management to improve their performance, their competencies, customer profitability, analysis capability and value enhancement to attain their goals objective. The crucial point of this research is that it helps to increase knowledge about strategic cost management by investing in the dimension of cost management.

## Conclusion

Nowadays, strategic cost management is much needed in the electronics parts businesses. It is a tool that will help organizations gain a competitive advantage, performance success. This research examines the influences among four dimensions of strategic cost management namely, cost allocation concentration, management control orientation, technology usefulness quality and competitor information richness and organizational achievement through mediator variable consisting of managerial information benefit, decision making valuable and business productivity excellence. This research also examines the effect of accounting system support as a moderator. The questionnaire is used as an instrument. The sample selection is from accounting executive of electronics parts businesses in Thailand, of which a total 129 were collected.

The results indicate that cost allocation concentration, technology usefulness quality and

competitor information richness has a partial significant positive effect on managerial information benefit, decision making valuable and business productivity excellence. Moreover, all consequences have a significant positive effect on organizational achievement. Likewise, managerial information benefit and business productivity excellence have a significant positive effect on decision making valuable. The moderating effect of accounting system support is a partial moderator relationship between technology usefulness quality and decision making valuable, while competitor information richness and managerial information benefit.

The findings show the evidence overall of strategic cost management with each dimension, that finds strategic cost management is a management tool with usefulness for firms to increase performance and competitive advantage, and help organizational achievement and profitability. It implies that electronics parts businesses have the strength implementation of competitive information richness, decision making, which has impact on their goal achievement.

## Limitations and future directions for research

The limitations of this research were tested separately to find out the effect on organization profitability. Future research should employ strategic cost management as a whole or research other consequences. Not only were there the limitations stated earlier, there is also other limitation. First, attempt to study on other potential moderating variables. Collection of the data were

used by questionnaires and the self administration may lead to bias and halo effect, other methods may apply in the future such as in-depth interviews, case studies and future research is needed to collect data from different groups of sample and comparative population in order to verify the generalizability of the research and to increase reliability.

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