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Effects of Management Accounting Practices on Financial and Non-Financial Performance of Manufacturing Companies in Thailand

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Abstract

The objective of this study is to examine the effects of management accounting practices (MAPs) on financial and non-financial performances of large manufacturing companies in Thailand. A survey questionnaire was sent to 1,500 companies of which there were 205 usable responses. Multiple regression analysis was used for testing the research hypotheses. The results suggest that lean management and standard costing positively affect financial performance in term of asset turnover. For non-financial performance measures related to customer perspective, satisfaction of customers is affected by non-financial measurements related to operation and innovation such as patent, certificates, and awards, as well as job order/process costing. For internal perspective, MAPs techniques of capital investments evaluation based on payback period and/or accounting rate of return; pro-forma financial statements; and job order/process costing systems positively affect internal control efficiency. For learning and growth perspective, activity-based management and benchmarking techniques positively affect competency of employees. The findings suggest that financial and non-financial performances of large manufacturing companies in Thailand are affected by the advancement of MAPs based on the IFAC evolution model.

Keywords: evolution; IFAC; management accounting techniques; MAPs; performance measures