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# Strategy, Strategic Management Accounting And Performance

## A Configurational Analysis

The basis of this article is to scrutinize the efficacy of the different configurational archetypes of strategy and strategic management accounting and to evaluate how management accounting's horizontal and vertical alignment with strategy can facilitate performance. This paper derives the whole configurational approach to scrutinize the relationship between strategy, strategic management accounting and performance. The relationship between strategy, management accounting based control systems and performance has commanded significant attention in the accounting and management research domains. The study's most important circumstance is the manner in which it focuses the fallibility of presuming a singular relationship between strategic choices and management accounting system design.

The study has depicted the widely used empirical/inductive approach to defining configurations.

They used questionnaire survey to collect the data. The primary sample comprised the 300 largest Slovenian manufacturing companies.

The findings of this research should be viewed in the context of its shortcomings, it would be misleading and inappropriate to suggest that the range of variables examined are exhaustive. They clearly fall a long way short of fully capturing the complexity of pertinent configurations. Significant limitations revolve around application of the cluster analytical technique and its reliance on researcher judgement. Cluster analysis does not carry statistical rigour, nor a clear notion of fit. Another problem is the potential for multicollinearity between clustering variables. In this study, the correlations were not excessively high, the decision was taken not to correct for multicollinearity, due to the many pitfalls associated with correctional methods. Another problem is the use of a single item measure of business strategy. The exception of company size, the study did not examine the potential moderating effects of other environmental and organizational variables.

## Competitor-Focused Accounting: an Exploratory Note

The results of a survey appraising the frequency and perceived helpfulness of competitor-focused accounting (CFA) practices are reported. The study's objectives are: (1) to appraise CFA adoption rates; (2) to assess practitioners' perceptions of the extent to which CFA could be helpful to their organization; and (3) to develop and test propositions concerned with contingent factors that might affect CFA adoption rates as well as perceptions of CFA's helpfulness.

A mailed questionnaire survey was employed. Two investigations for non-response bias were undertaken. Firstly, ten of the non-respondents were contacted by phone. Four non-respondents indicated the most widely-cited "too busy" or "not enough time" reasons for their non-response. One non-respondent cited "lack of interest because the practices referred to in the questionnaire are irrelevant to my organization".

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Three main findings can be distilled from this study. First, given the limited research of CFA in the management accounting literature, CFA usage has been found to be higher than what might have been reasonably anticipated. A second finding relates to the relative use and perceived helpfulness of each CFA practice appraised. The third finding relates to the study's contingency framework and the significant relationships found to exist between CFA and competitive strategy, strategic mission and company size.

## **An International Comparison of Strategic Management Accounting Practices**

The study has four main objectives: to appraise the incidence of a variety of strategic management accounting practices; to compare the incidence of strategic management accounting practices across three economically advanced countries: New Zealand (N.Z.), the United Kingdom (U.K.) and the United States of America (U.S.A.); to assess practitioners' perceptions of the extent to which SMA practices might be helpful to their organization; and to appraise the extent to which the term 'strategic management accounting' is used and understood in practice.

In this paper they use sampling procedure and variable measurement method. These practices have been itemized in a questionnaire designed to elicit usage rates. Their sample size were 1292 and their total mailing respondents were 314.

A two-tiered analysis of data collected has been made. The first level is based on the entire data set collected in the three countries (N.Z, U.S, U.K), and the second is restricted to companies of a similar size.

Four main findings can be distilled from the study. Firstly, the SMA practices appraised are experiencing wide-ranging degrees of application. Secondly, while usage rates for most of the practices appraised scored relatively lowly, two factors suggest it would be inappropriate to dismiss their potential like it has been found that for all SMA practices appraised, for the eight SMA practices where relatively low degrees of usage have been found. The third main finding relates to the study's cross-sectional research design. Finally, it has been found that there is negligible use of the term 'strategic management accounting' in organizations and that appreciation of the term amongst practising accountants is somewhat limited. Another problem revolves around defining and operationalizing the SMA constructs lying at the heart of the study, it does not exclude the possibility of overlapping practices.

## **The Incidence, Perceived Merit and Antecedents of Customer Accounting: an Exploratory Note**

The results of a survey appraising the frequency and perceived merit of customer accounting (CA) practices are reported. There appears to be a growing tendency for companies to seek competitive advantage by applying customer-focused strategies. The study's objectives are: 1. to appraise the incidence of CA; 2. to assess practitioners' perceptions of CA's merit as a managerial tool; and 3. to develop and test hypotheses concerned with contingent factors that might affect the use and perceived merit of CA.

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A literature search has revealed no systematic outline of how customer value can be determined, although a number of marketing commentaries discuss customer value in terms of future cashflows and profit streams (Reichheld, 1993; Sonnenberg, 1994; Turnbull & Wilson, 1989; Wayland & Cole, 1994).

This paper use sampling procedure and variable measurement method and the collected data by mailed questionnaire survey. Two investigations for non-response bias were undertaken. Firstly, 10 randomly selected nonrespondents were contacted by telephone and encouraged to participate in the study. Six of these advised that they had not participated due to time constraints, and four advised that participation contravened company policy.

Findings emerge from this study: the limited consideration afforded CA in the accounting literature, the results suggest a greater incidence of CA than one might have reasonably anticipated. These scores were significantly higher than their corresponding usage rates.

## **Influence of Strategic Approach to Bpm on Financial and Non-financial Performance**

Companies are striving for excellent business performance in order to survive in the global competitive environment. They are trying to achieve better results and higher profit margins by applying various emerging business tools and management philosophies.

The purpose of this paper is to examine the way strategic approach to business process management (BPM) impacts organizational performance, both its financial and non-financial aspects, using empirical data from Croatian firms.

Kaplan and Norton (2000) were among the first researchers who emphasized that performance measurement systems need to be clearly linked to business strategy. Here actually the research methodology was sample description, research instrument, and statistical method. In order to test the research propositions, a questionnaire survey method was used to collect the responses of Croatian medium-sized and large-sized manufacturing and service firms.

A questionnaire survey was conducted on a sample of 194 manufacturing and service firms in Croatia and propositions were tested using a structural equation model with SAS software. Data collected by the questionnaire survey method were analyzed in several steps and using various statistical methods. First, validity analysis was conducted and research instrument validity checked. Second, reliability analysis was conducted using Cronbach's a coefficients that indicate internal consistency of the items used for calculating scales (Feldt and Kim, 2008). Third, primary data were submitted to descriptive data analysis and non-parametric correlation analysis in order to check for negative or low correlations which could indicate some data validity problems (de Vaus, 2001).

The results suggest that PPM practice is positively related to strategic approach to BPM. The impact of PPM on non-financial performance has been found, as well as the impact of non-financial performance on financial performance, thus indicating an indirect influence of PPM on financial performance.

## **Lean Manufacturing and Firm Performance: the Incremental**

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## Contribution of Lean Management Accounting Practices

Manufacturing firms operating in rapidly changing and highly competitive markets have embraced the continuous process improvement mindset. They have worked to improve quality, flexibility, and customer response time using the principles of Lean thinking. To reach its potential, lean must be adopted as a holistic business strategy, rather than an activity isolated in operations.

Their methodology was Survey design and sample, Survey constructs. In this paper they designed a detailed survey instrument to collect specific information about the manufacturing operations, organizational culture, top management leadership, performance measurement system and broader management accounting control system.

We use survey data from 244 U.S. manufacturing firms to construct a structural equation model. This study does not use a random sample, which reduces the generalizability and applicability of the findings.

We also find that the extent of lean manufacturing practices is directly related to operations performance. More importantly, lean manufacturing practices also indirectly affect operations performance through lean MAP. These findings are consistent with the notion that lean thinking is a holistic business strategy.

In search of strategic management accounting: theoretical and field study perspectives

Its focus on costing the benefits associated with products and their attributes necessitates contributions from both disciplines.

The objective of this paper is to contribute to the growing literature on the topic of strategic management accounting (SMA). It reports the findings of an exploratory field study. In this study we conducted a field study of company practices at the interface between management accounting and marketing management. By a field study we mean a research design that embraces a relatively small number of companies, as opposed to a wide-ranging survey or intensive case enquiries in two or three companies, the 10 companies that constituted our sample could, with some justification, be regarded as at the leading edge in their various fields. Four of the 10 companies included in the field study are engaged in manufacturing, a further two companies are engaged in the pharmaceuticals business.

In keeping with the exploratory nature of the research project, over time this schedule evolved into a checklist of topics on which information was sought.

The findings of an exploratory field study of practices at the interface between management accounting and marketing management affirm SMA's limited impact on practice in the UK.

## References

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