

ABSTRACT

The understanding of the antecedent conditions influencing the design of management accounting systems is very limited. In recent years, significant research attention has been devoted to understanding how different contingency variables influence these systems. However, the results of these studies have been, at best, equivocal and numerous calls have been made for further research.

This study examines : (1) the impact of information technology on management accounting system characteristics and decentralization (2) the role of decentralization on the relationship between contingency variables (information technology, strategy, environmental uncertainty, organizational interdependence) and management accounting system characteristics (3) the role of management accounting system characteristics on the relationship between contingency variables (information technology, strategy, environmental uncertainty, organizational interdependence and decentralization) and managerial performance.

Management accounting system characteristics were defined on the extent to which managers use broad scope, timeliness, aggregation and integration management accounting systems information for managerial decision making. Hypotheses were generated for both direct and indirect effects of contingency variables. The responses of 110 managers, drawn from manufacturing companies of consumer products in East Java, were analyzed by using a structural equation modeling (SEM).

The results indicate that : (1) the direct effect of information technology is associated with broad scope, timely, and aggregated information. Besides, the direct effect of information technology is also associated with decentralization. (2) decentralization acts as a mediator in the relationship among information technology, organizational interdependence and management accounting system characteristics. However, the results also indicate that decentralization does not act as a mediator in the relationship between strategy and management accounting system characteristics, and between environmental uncertainty and management accounting system characteristics (3) management accounting system characteristics act as a mediator in the relationship among information technology, environmental uncertainty, organizational interdependence, decentralization and managerial performance. But, the results suggest that management accounting systems do not act as a mediator in the relationship between strategy and managerial performance.

Key words: Information technology, strategy, environmental uncertainty, interdependence, decentralization, management accounting system characteristics, scope, timeliness, aggregation, integration.