

Management Accounting Change, Market Competition And Advanced Manufacturing Technology In Local And Foreign Manufacturing Firms In Malaysia

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Dynamic business environments have significantly intensified competition both in the domestic and the international markets. Increasing participation from multinational companies through foreign direct investments (FDI) coupled with drastic changes in manufacturing and information technologies have brought about new challenges to Malaysian firms. Changes in competitive and manufacturing environments have important implications for designing appropriate management accounting and control systems (MACS) in organizations. Foreign firms are argued to be more equipped and amenable to face these challenges as top management support and organizational culture within these firms are perceived to be more receptive and conducive to adoption of organizational changes including MACS changes. It has been argued that the cultures of the parent multinational firms influence the cultures of the employees in their subsidiaries through socialisation and selection process. This paper examines the effect of market competition and advanced manufacturing on MACS change. Test was also conducted to investigate whether firm ownership affects the relationships between the independent variables and MACS change.

Key words: Management accounting change, advanced manufacturing technology, market competition

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