The Extent of Using Advanced Managerial Accounting Techniques in Jordanian Industrial Companies: Implementation and Barriers

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A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Accounting, Yarmouk University, Irbid, Jordan

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May, 2008


ABSTRACT


This study aims to identify whether Advanced Managerial Accounting Techniques (AMAT) are used by Jordanian Industrial Companies, to determine the benefits of using these techniques, to identify the most important barriers hinder the use of such techniques, and to identify the relationship between the extent usage of advanced managerial accounting techniques and the company size based on total assets. To achieve these goals, data was collected from 40 financial managers and chief accountants in 40 Jordanian Industrial Companies using a questionnaire that was developed and distributed to them. The Statistical Package for Social Sciences (SPSS) was used to analyze the collected data.

The results of this study revealed that the Jordanian Industrial Companies do not apply Advanced Managerial Accounting Techniques sufficiently, at a mean value of 44% for all techniques. The most benefits of using AMAT are: provide management with more timely and relevant information, quality improvement, and cost reduction. In addition, there are some barriers which hinder using these techniques including: unavailability
of qualified accountants, technically and academically, cost of application related to time and to equipment, high cost of ready software, lack of compulsory regulations to use these techniques, and unwilling or management resistance to change. The results of this study also revealed that there is no significant relationship between AMAT use and the company size except for the target costing method and ABC system, whereas, large companies are more likely to use these two techniques than medium and small companies. Finally, this study recommends the following: Necessity for financial management and accounting department in the Jordanian industrial companies to take care, and be aware of the importance of applying modern managerial accounting techniques to increase efficiency.

Key Words: Advanced Managerial Accounting Techniques, Jordanian Industrial Companies.