ABSTRACT:

This paper examines user perceptions of Activity-based costing (ABC) performance for three different types of system in a major information and communication provider in South East Asia. Few prior ABC studies have considered the effect of system type on ABC performance. The study draws on a survey of 54 developers and 181 users of 16 different ABC systems within the organisation to produce five performance constructs (cost accuracy, cost-benefit trade-off, ABC impact, information use, and decision action). The results show that both the development inputs and user performance perceptions varied with the type of system (embedded, stand-alone, ad-hoc). While embedded systems enjoyed far stronger inputs (e.g. top management support, rewards and recognition, task significance) and greater development team cohesion than stand-alone systems, they were perceived by users to perform significantly less well. These findings suggest that system type is an important factor in assessing ABC performance.