Factor Determining Dynamic Management Accounting Orientation Of Food Businesses In Thailand*

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Abstract

In rapidly changing business environments, developing a dynamic management accounting to respond this situation is necessary for organizations to optimize firm performance. The aim of this study was to provide evidence of the determinants of dynamic management accounting orientation by proposing the contingency theory to examine the relationships between dynamic management accounting orientation and contingent factors of the food businesses in Thailand. The results of this study were gathered via questionnaire survey based on the responses from 294 companies. Findings indicated that internal factors including best management accounting system, business intelligence competency, and market learning capability had critical determinants of dynamic management accounting orientation. The subordinate influential factors were competitive change pressure and proactive top management vision, respectively.

Keywords: Dynamic Management Accounting, Management Accounting Practices, Thailand, Food Businesses

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1. Introduction

Globalization has an influence on the changes of the business environment with the increase of uncertainty, advanced technology, increased competition, and constantly changing customer preference (Abushaiba & Zainuddin, 2012; Williams & Seaman, 2002). These changes have raised the organizations' awareness about the focus on changes in management accounting practices. This argument is supported by Baines & Langfield-Smith (2003), who suggested that the increase of dynamic business environmental change has resulted in increasing the need of specific forms of management accounting information to support management operating under the environmental uncertainty.

Recent accounting literatures mentioned that management accounting practices in an environment dynamism tend to focus on adding value to the organization (Hilton, 2005). Also, it attempts to broaden the scope of management accounting by integrating external information, associating with market dynamism and competition intensity, and managing the accounting technique to provide information that explains the economic change and facilitates to creating or enhancing organization value (Abdel-Kader & Luther, 2008). These practices are the management accounting role that facilitates the organization's adaptation to environment dynamism and gain superior performance (Lääts & Haldma, 2012; Van der Stede, Chow, & Lin, 2006). In this study, the emphasis on developing such management accounting practices was interpreted as dynamic management accounting orientation. Although management accounting research foresee these practices having an important role in organization's adaptation and performance, yet empirical evidence on the contingencies that influenced on dynamic management accounting orientation remained relatively limited.

Based on the contingency theory, the efficiency of the design and use of management accounting depends on the contextual factors of the organization both internal and external factors (e.g. environment, technology, organizational strategies, organizational structure, top management team support, and market orientation) (Aver & Cadez, 2009; Cadez & Guilding, 2008; Chenhall, 2003; Delaney & Guilding, 2011; Hartmann, 2000). To be able to make generalizations about the development of management accounting practices in an environment dynamism, this study is, therefore, focused on the contingencies that influenced on the dynamic management accounting orientation in the developing economic context.

Drawing upon the contingency theory and management accounting in dynamic environment literature, the objective of this study was to investigate whether the contingent factors, including proactive top management vision, business intelligence competency, best

management accounting system, market-learning capability, competitive change pressure, and competitive change pressure, influences on the dynamic management accounting orientation of food businesses in Thailand. The research question was how the contingent factors influenced on the dynamic management accounting orientation? The study also provided the contributions of both management accounting literature and management practice by presenting the empirical evidence on the contingencies that influenced on the dynamic management accounting orientation, with an emphasis on developing country, especially Thailand. The results provided a guideline for organizations in developing appropriate factors to design and use of effective management accounting practices in a dynamic environment.

The remainder of the paper is organized as follows: section 2 describes theoretical perspective and literature review, section 3 presents the research method, section 4 illustrates the results and discussion, and the contributions, limitations and future research are presented in Section 5 and followed by conclusion in the final section.

2. Relevant Literature Review

2.1 The Contingency Theory Perspective

The contingency theory has become the dominant paradigm in empirical management accounting research (Ittner & Larcker, 2001). Most research regarding management accounting and organizational change usually applied contingency theory to identify and explain factors that influence the development of a management accounting system to be consistent with circumstances (Haldma & Lääts, 2002). This study also did the same by applying contingency theory to support the conceptual framework and used it to identify and describe the antecedents' effect on dynamic management accounting orientation.

The theoretical perspective suggests that an efficient design and use of organization's management accounting depends on its ability to adapt to changes in internal and external factors (Chenhall, 2003). Prior research found that the most internal factors are firm size, technology, organizational strategies, cultural, top management team support, and market orientation (Aver & Cadez, 2009; Cadez & Guilding, 2008; Chenhall, 2006). Additionally, environmental uncertainty and changing competitive environment were found to be a major external factors that influence on changing management accounting to help organizations make better decisions in the face of uncertainty environment (Delaney & Guilding, 2011; Hartmann, 2000).

Therefore, the antecedent factors in this research were divided into two groups: consisting of external factors and internal ones. The external factor indicated the features in the external environment which was competitive change pressure. Likewise, the internal factors indicated the features of organizational characteristic which were proactive top management vision; and organizational capabilities which consisted of proactive top management vision, business intelligence competency, best management accounting system, and market learning capability. All five factors were examined as contextual contingent factors that influenced on dynamic management accounting orientation. The conceptual framework of dynamic management accounting orientation and its antecedent factors were shown in Figure 1.

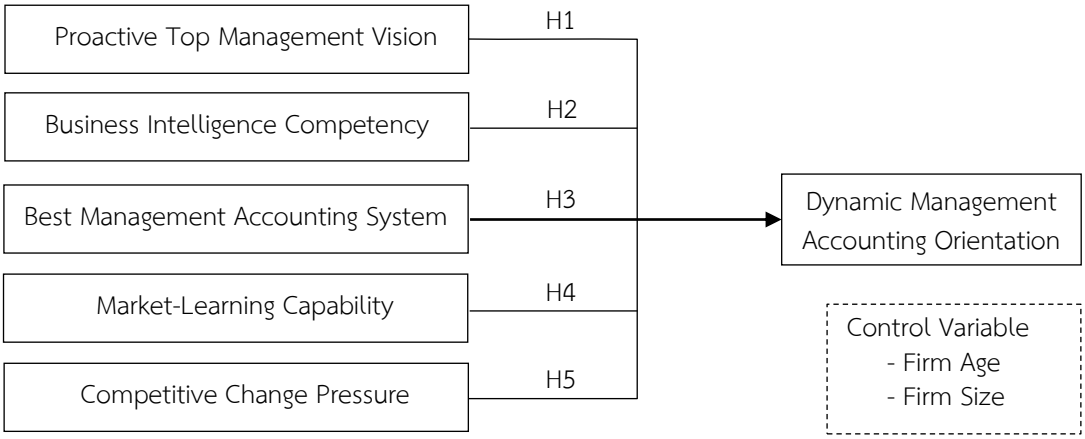

Figure 1: Conceptual Framework

2.2 Dynamic Management Accounting Orientation

Dynamic management accounting orientation in this research is defined as the organization's ability to use accounting practices to support and optimize management efficiency in a constantly changing environment to achieve competitive advantage and superior performance. It focuses on applying management accounting practices that are increasing organizational adaptation abilities and adding value to the organization covering the following practices: strategic positioning analysis, cost management strategy, modern performance measurement, market information orientation, and environmental responsibility reporting. Dynamic management accounting orientation is consistent with management accounting in the fourth stage of management accounting evaluation model of IFAC (1998). It stated that management accounting, in the 1990s, have shifted to the creation of value by creating the value added to customer, shareholder, organizational innovation through the effective use of

resource in order to cope with dynamic environment, that associate with uncertainty and unpredictable environment (Abdel-Kader & Luther, 2008).

In management accounting literatures, management accounting practices which are congruent with new management process and focus on external problems such as managing the competition, generating customer value, and creating competitive advantages tend to offer the adequate information and to support and optimize operating in complex situations and high environmental dynamism (Gerdin, 2005; Lääts & Haldma, 2012; Sunarni, 2013; Williams & Seaman, 2002). Thus, developing management accounting practices to be more appropriate with the constantly changing business environment which is dynamic management accounting orientation is essential to enhance organizational performance.

2.3 Determinants of Dynamic Management Accounting Orientation

In answering the research question, this study examined the influence of the five contingency factors aforementioned above as the important factors in the development of the dynamic management accounting orientation. Each factor was examined and hypothesized their relationship to the dynamic management accounting orientation as follows.

2.3.1 Proactive Top Management Vision

Proactive top management vision is defined as the forward-looking perspective of the senior executives on future outcomes and seeking opportunities to develop current strategies and tactics, and detect future trends in the market (Hughes & Morgan, 2007). The prior research suggested that an organization which focuses on continually searching for market opportunities and being the creators of innovation in a market is considered to be an enterprise that uses proactive strategy (Cadez & Guilding, 2008). Contingency theory of management accounting research suggested that a firm with proactive vision which applies proactive strategy is likely to change in advance management accounting practices and use more sophisticated management accounting systems to provide broader scope information cater for changing management under rapidly changing business environment (Baines & Langfield-Smith, 2003; Chenhall, 2003; Abdel-Kader & Luther, 2008). Based on the literature reviewed earlier, firms with higher proactive top management vision tend to obtain greater dynamic management accounting orientation. Thus, hypothesis is offered as follows:

H1: Proactive top management vision has a positive effect on dynamic management accounting orientation.

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2.3.2 Business Intelligence Competency

Business intelligence is a process that drives with technology to analyze data and propose the actionable information to support the corporate executives, business managers, and other end-users for making decisions with more information. Business intelligence competency in this study referred to the capability of the firm to use a variety of technologies and expertise to enable operations in responding to the current and future situations effectively (Elbashir, Collier, & Davern, 2008). The contingency theory of management accounting literatures stated that advanced technology was the potential predictor of changing the management accounting system (Waweru & Uliana, 2005). Empirical evidence showed that business intelligence system could help the shortcomings of the basic analytical capabilities of management accounting system, and enable managers to quickly access and easy-to-use relevant information in a variety of business activities (Hannula & Pirttimaki, 2003). For these reasons, a high degree of organizational business intelligence competency contributes to dynamic management accounting orientation, because it can provide the necessary analytical skills required to analyze and provide information in the demanded way. Thus, the hypothesis is given as below:

H2: Business intelligence competency has a positive effect on dynamic management accounting orientation.

2.3.3 Best Management Accounting System

In this study, best management accounting system referred to the management accounting procedure that was designed to comply with operational style having the capability to choose the optimum way in which firms were to carry out their best function and suitable methods in accordance with the needs of the management information under various circumstances. (Gerdin, 2005; Lata & Ussahawanitchakit, 2015). Its features are flexible and responsive to generate useful reports such as trend analysis or other special reports and easy to use by requiring minimal training time (Nelson, Todd, & Wixom, 2005). Haldma & Laats (2002) suggested that based on the contingency theory, management accounting systems were adopted to assist managers in achieving company goals. If it was found to be appropriate, it was, therefore, likely to provide enhanced information via appropriate techniques and practices that correspond to the management in the current situation and then achieve the organizational goals in a better way. Also, empirical evidence found that implementation of best management accounting system could lead to superior management accounting role in today's dynamic accounting environment. For example, effective management accounting system is the advantage of using management accounting practices which create value to

support strategic and tactical management for excellence in operations; and enable organizations to compete (Adejuyigbe, Mogaji, & Adesida, 2013; Valanciene & Gimzauskiene, 2007). As mentioned above, it implied that best management accounting system has become the important drivers in developing management accounting practices to be more responding to changes in the dynamic business environment. Thus, the hypothesis is given as follows:

H3: Best management accounting system has a positive effect on dynamic management accounting orientation.

2.3.4 Market Learning Capability

Marketing learning capability was seen as the organizational capacity which searches for information on customer needs, competitor techniques, and the marketplace situation (Wei & Wang, 2011). In this study, market learning capability was the ability of the organization to continuously learn, analyze, and evaluate market situations in order to better respond to market needs (Weerawardena, 2003). Market-focused learning can drive organizational market orientation; and it holds that all company activities are focused on the primary goal of satisfying customer needs (Cillo, 2003; Jiménez-Jiménez & Cegarra-Navarro, 2007). The contingency theory suggested that organizational learning capacity was seen to be the major driving force in changing management accounting practices because more change were expected where the organizations had the expertise and personnel to educate managers about the benefits of change (Waweru, 2008). Marketing learning capability can help the organization understand their target market and also help to coordinated utilization of company resources to create superior customer value (Mohamed, 2014). Consequently, it has become the driving force in developing management accounting practices to be more responding to changes in the dynamic environment. In management accounting literature, the increasing market pressures have raised the organizations' awareness about the need for more detailed accounting information regarding the market environment which affect the change in management accounting. For instance, the organizations operate in a dynamic environment are concerned to apply new performance measurement system such as a multi-dimensional measure to provide useful information for performing activities to meet their customer needs (Bangchokdee, Mia, & Runglertkrengkrai, 2013). In addition, they also applied cost management strategy to improve productivity and cost savings to meet customer's satisfaction (Kumar, Jones, & Leone, 2011). Thus, the hypothesis is proposed as below:

H4: Market learning capability has a positive effect on dynamic management accounting orientation.

2.3.5 Competitive Change Pressure

Competitive change pressure referred to the influence from intense competition which affects both organizational design and performance to maintain viability and prosperity (Malinic, Jovanovic, & Jankovic, 2012). Management accounting literatures support changing competitive environment as a contingent factor that affects the change in management accounting practices. For example, the increasingly competitive environment had resulted in the increased focus on differentiation strategies having in turn that influenced on the decisions in the design and use of advanced management accounting practices (Baines & Langfield-Smith, 2003). Also, Waweru (2008) found that the intensity of competitive change affected the changing of management accounting practices via organization structure. This empirical evidence was consistent with contingency theory; which suggested that the firms that faced intent competition were required more and different types of management accounting information from their systems before making important decisions. Furthermore, the higher level of competitive change has resulted in increasing the organizations which perceived greater environmental uncertainty and tended to require more type of management accounting information such as external, non-financial, and ex-ante information to cope with the rapidly changing environment (Abdel-Kader & Luther, 2008). Therefore, the hypothesis is proposed as below:

H5: Competitive change pressure has a positive effect on dynamic management accounting orientation.

In addition, two control variables: namely firm age and firm size; are included in this research. These control variables were the characteristics that may influence the hypothesized relationships. Previous research indicated that firm's experience, which was measured by the number of years, enabled firm to find new ways to introduce changes and searched for problem-solving methodology through using historical experiences to achieve superior performance (Anand et al., 2009). Meanwhile, firm size was found as a factor affecting management accounting system adoption. Larger organizations have resources to adopt more sophisticated management accounting system than small ones (Cadez & Guilding, 2008).

3. Methodology

3.1 Data Collection

The populations in the study were food businesses in Thailand. These businesses were chosen because they were the major driving force of the Thai economy in terms of the export value, such as creating entrepreneurs, and hiring labor force. Meanwhile, they are

constantly experiencing changes in the current business environment from a number of competitors, as well as the changing marketing conditions of both consumer behaviors and substitute items in the available markets (Office of the Secretary Food and Drug Administration, 2017). Therefore, they tend to focus on developing dynamic management accounting as the strategic tool to achieve sustainable competitiveness and superior performance. All 1,485 food businesses in Thailand received from the database of the Department of Business Development, the Ministry of Commerce, Thailand were selected as the samples. Even if the appropriate sample size is 369 firms under the 95% confidentiality rule (Krejcie & Morgan, 1970), response rate for a mail survey was typically lower than 100 percent (Bartlett, Kotrlik, & Higgins, 2001). Also, Aaker, Kumar, & Day (2001) suggested that the 20 percent response rate for a mail survey, without an appropriate follow-up procedure, was deemed sufficient. Thus, to get adequate sample size to meet the reliable research results, this research finally used 1,485 firms as samples for a distributed mail survey. With regard to a mail survey, questionnaires were sent directly to accounting directors or accounting managers which was the key informants. Besides, the follow-up calls were made two weeks after mailing to increase the response rate. As a result, 297 surveys were returned with 294 valid surveys, achieving a response rate of 20.15%. This research also verified non-response bias by comparing the data received between early and late responses (Armstrong & Overton, 1977). As a result, there were no significant differences between the two groups of respondents. So, the response of questionnaires did not exist obviously response bias.

3.2 Measurement

All variables were measured using a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5) to express the degree of each questionnaire item, excluding firm age and firm size. The five independent variables were measured as follows:

Proactive top management vision was measured by using 4-item scale which assessed the extent to which top managers in the organization focusing on creating or controlling a situation through the use of accounting data to analyze opportunity, threat, and competitive environments for improving constantly performance efficiency and goal success.

Business intelligence competency was measured by using 4-item scale which assessed the level of effectiveness and efficient application of information technology to support data collection, data analysis, developing and running queries against the data, and creating reports to provide appropriate information with timely, relevant, and easy-to-use information for the better decisions.

Best management accounting system was measured by using 4-item scale which assessed the degree of the firm which focuses on applying and developing the accounting system to comply with operational style and the capability to provide the completeness, accuracy, and current information for better planning, controlling and decision making.

Market learning capability was measured by using 4-item scale which assessed the degree of firm's ability to learn about customers, competitors, and the broader market environment in which it operates continuously.

Competitive change pressure was measured through the use of 4-item scale by assessing the perceived intensity of competition faced by organizations consisting of selling and distribution, quality and variety of products, price, and market share that result in the adaptation of the organization.

Additionally, 5-item scale was developed to assess dynamic management accounting orientation, which was a dependent variable, as how firms provide accounting information for strategic positioning analysis, cost management strategy, modern performance measurement, market information orientation, and environmental responsibility reporting.

Control variables in this research included firm age and firm size. Firm age was measured by number of years since the company was established; dummy variable with 1 = more than 15 years, and 2 = 15 years or less. Firm size was measured by total assets of the firm; dummy variable with 1=higher than 100,000,000 baht, and 2=less than or equal to 100,000,000 baht.

3.3 Instrument Test

The quality of research instrument in this study was proved by factor analysis and Cronbach alpha. Factor analysis was conducted to test the validity of the measurement by considering the factor loading of each set of items. The rule-of-thumb, a cutoff 0.40 was adopted to indicate the construct validity (Nunnally & Bernstein, 1994). Also, Cronbach alpha was conducted to evaluate the reliability of the measurement. Cronbach alpha coefficient value which was greater than 0.70 indicated the internally consistence among items in questionnaires (Hair et al., 2010). On the scale validity and reliability of this research as shown in Table 1, all factor loadings were between 0.701–0.933 which was greater than the cutoff 0.40 and were statistically significant. Meanwhile, Cronbach alpha coefficients had the values of 0.766-0.895 which were greater than 0.70. Thus, these measures were deemed appropriate for further analysis as they expressed an accepted validity and reliability in this study.

Table 1: Results of measure validation

Items	Factor Loadings	Cronbach Alpha
Proactive Top Management Vision (PTM)	0.865–0.888	0.895
Business Intelligence Competency (BIC)	0.841–0.899	0.891
Best Management Accounting System (BMS)	0.803–0.830	0.825
Market Learning Capability (MLC)	0.722–0.835	0.766
Competitive Change Pressure (CCP)	0.827–0.933	0.879
Dynamic Management Accounting Orientation (DMAO)	0.701–0.827	0.838

To examine the relationship between the antecedent variables and dynamic management accounting orientation, Ordinary least squared (OLS) regression analysis was conducted because all variables in this study were neither nominal data nor categorical data. The statistical equations as shown below:

$$DMAO = \alpha + \beta_1 PTM + \beta_2 BIC + \beta_3 BMS + \beta_4 MLC + \beta_5 CCP + \beta_6 FMA + \beta_7 FMS + \varepsilon$$

4. Results and Discussion

Table 2 presented the descriptive statistic and correlation matrix of all variables. The results of the Pearson correlation coefficients were ranged from 0.478 to 0.690, $p < 0.05$. It meant that all variables, except control variables, had positively correlated and they could be tested for the relationships. Moreover, none of the correlation coefficients exceed 0.80. Similarly, variance inflation factors (VIFs) in the equation were ranged from 1.310 to 2.449, which lower than the cutoff value of 10 (Hair et al., 2010). It could be concluded that multicollinearity was not found as a serious problem in this study.

Table 2: Descriptive statistics and correlation matrix

Variables	**PTM**	**BIC**	**BMS**	**MLC**	**CCP**	**DMAO**
Mean	4.014	3.876	4.084	4.082	4.028	3.962
S.D.	0.664	0.665	0.589	0.587	0.653	0.505
BIC	0.690***					
BMS	0.591***	0.664***				
MLC	0.605***	0.593***	0.619***			
CCP	0.614***	0.535***	0.478***	0.659***		
DMAO	0.584***	0.628***	0.611***	0.579***	0.552***	
FMA	0.034	0.063	0.086	0.034	0.044	0.048
FMS	0.030	0.104	0.084	0.058	-0.015	0.079

*** $p<0.01$

In order to examine the relationships between five antecedents and dynamic management accounting orientation, the results of OLS regression analysis were presented in Table 3. This outcome suggested that all factors were significantly contributed to dynamic management accounting orientation.

Table 3: Results of OLS regression analysis[a]

Independent Variables	Dependent Variables
	Dynamic Management Accounting Orientation
Proactive Top Management Vision (PTM)	**0.106***
H1	(0.064)
Business Intelligence Competency (BIC)	**0.236*****
H2	(0.064)
Best Management Accounting System (BMS)	**0.237*****
H3	(0.060)
Market Learning Capability (MLC)	**0.173****
H4	(0.059)
Competitive Change Pressure (CCP)	**0.114***
H5	(0.063)
Firm Age (FMA)	-0.030
	(0.094)
Firm Size (FMZ)	0.053
	(0.096)
Adjusted R^2	**0.506**

*** p<0.01, ** p<0.05, * p<0.10, [a] Beta coefficients with standard errors in parenthesis

Firstly, it showed that proactive top management vision had a significantly positive effect on dynamic management accounting orientation (β_1 = 0.106, p < 0.10). This view was supported by existing literature that the firms having proactive top management vision and applying a prospector strategy would place the greater emphasis on changing their management accounting into sophisticated practices (Abdel-Kader & Luther, 2008). They were more likely to use the dynamic management accounting orientation to cater for the strategy that ever-changing based on the situation. Therefore, Hypothesis 1 was supported.

Secondly, business intelligence competency had a significantly positive influence on dynamic management accounting orientation (β_2 = 0.236, p < 0.01). This finding indicated that business intelligence competency provided organizations with an important competency of evaluating accounting information in unique ways (Dinter, 2013; Elbashir, Collier, & Davern, 2008). Continuously deeper level analysis of the accounting data with a business intelligence competency will contribute to better management accounting information for decision making and also allow decision makers to pull information in the ways that they require. Thus, the firm with greater business intelligence competency could contribute to dynamic management accounting orientation Therefore, Hypothesis 2 was supported.

Thirdly, best management accounting system had a significant relationship with dynamic management accounting orientation (β_3 = 0.237, p < 0.01). The finding ~~is~~ was consistent with theoretical expectation, when organizations operated in a dynamic environment, that they were expected to require broader scope information from effective management accounting to support the constantly changing of management (Haldma & Lääts, 2002). So, it ~~is~~ was important to use the best management accounting system to ensure that the organizations had sufficient information and to respond to the development of accounting practices for keeping pace with the current management model. Thus, Hypothesis 3 was supported.

Fourthly, market learning capability had a positive impact on dynamic management accounting orientation (β_4 = 0.173, p < 0.05). A potential reason is that market learning capability enables the organization to more understand the market and to be aware of finding the new way to support market needs and enhance competitive advantage (Weerawardena, 2003). Consequently, the firms will focus to applying dynamic management accounting, such as modern performance measurement, and cost management strategy, in order to provide useful information that helps them perform the activity and offer products or services to meet market needs and expectations that are always changing (Bangchokdee, Mia, & Runglertkrengkrai, 2013; Kumar et al., 2011). Therefore, Hypothesis 4 was supported.

Lastly, competitive change pressure was positively related to dynamic management accounting orientation (β_5 = 0.114, p < 0.10). This was consistent with contingency theory expectation which stated that when the organizations facing competitive change pressure, they were expected to required more and different types of management accounting information before making crucial decisions (Waweru, 2008). This, in turn, influenced on the change in

management accounting practices and focused on dynamic management accounting orientation to cater for the ever-changing competition. Therefore, Hypothesis 5 was supported.

5. Contributions and Directions for Future Research

Theoretical Contributions

The research outcomes offered an incremental contribution to the existing management accounting literatures by providing the valuable insights into the factors that contributed to developing management accounting practices in a dynamic environment and extended the previous findings in developing countries, especially Thailand. As well as, the results contributed to the contingency theory by providing empirical evidence to confirm the ability of contingency theory to capture dynamic context. This study attempted to verify and confirm some previous findings regarding influencing contingencies, such as proactive top management vision, business intelligence competency, best management accounting system, market learning capability, and competitive change pressure. These variables were the organizational capability and characteristic. The results also indicated that these contextual contingent factors played the key roles in determining dynamic management accounting orientation as consistent with contingency theory.

Managerial Contributions

The empirical evidence from this research will be a guidance for organizations looking for increasing the management accounting efficiency under dynamic environments. The results indicated that the effectiveness of dynamic management accounting orientation more depended on the most internal factors, particularly in the context of organizational capabilities such as business intelligence competency, best management accounting system, and market learning capability more than the external one which was competitive change pressure. Therefore, firstly, the organizations should emphasize on applying information technology that offers the ability to track financial information along with current operational data continuously. Secondly, they should design and use their accounting system congruent with the operational model and ability to analyze accounting data quickly and timely. Thirdly, the organizations should focus on the ability to learn and analyze their customers, competitors, and the broader market environment as a guide for the development of the appropriate management accounting practices for a better respond to market needs.

Limitation and Directions for Future Research

To provide the useful contribution from this study to the management accounting literature, it is important to acknowledge some limitations. Firstly, the data was collected by mailed surveys which affected the generalization of this study, because of the perception of the respondents and a potential for self-selection bias. Furthermore, the respondents in this study were accounting executives who were more familiar with the change in accounting area than in organizational structure or the competitive market. Secondly, the results from this quantitative approach did not capture a comprehensive and deep understanding of the subject phenomena. Therefore, other approaches such as qualitative case study or in-depth interview may shed further light on this issue. In addition, to verify and expand the research results, it is recommended that the future research should be conducted in the other industries or beyond dynamic economies. The comparison across the industries or countries could verify the knowledge of determinants of dynamic management accounting orientation in a dynamic economic context. Moreover, future research should be studied by applying other statistics in examining the research relationships such as structural equation model and partial least squared to extend and complement this research finding.

6. Conclusion

This study aimed at investigating the influences of contextual contingent factors on dynamic management accounting orientation in food businesses in Thailand, which was a sample in a developing economies context. The results provided evidence showing internal factors including best management accounting system, business intelligence competency, and market learning capability were the important determinants of dynamic management accounting orientation. Also, competitive change pressure (external factor) and proactive top management vision (internal factor) were the followed determinants having a positive role in focusing on dynamic management accounting orientation, respectively. Rather, this results led to remark that the most influential factors on dynamic management accounting orientation aforementioned above were the factors which indicated the features of organizational capability. Meanwhile, the followed influential factors were the factors which indicated the organizational characteristic. Although, previous research such as Baines & Langfield-Smith (2003) and Chenhall (2003) indicated that all of those factors affected the change in management accounting practices, but the results in this study illustrated that the organizational capability factor was a qualifying factor in an efficient design and was used as account management in a dynamic environment more than the organizational characteristic

factor. Thus, firms should pay more attention to put their resources in developing internal factors, especially organizational capability factors regarding the effective design and the use of management accounting practices, in order to achieve dynamic management accounting orientation.

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