

Innovation of Dynamic Cost Management and Goal Achievement: An Empirical Investigation of Electronics and Electrical Manufacturing Businesses in Thailand

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Abstract

The objective of this study is to empirically investigate the effects of innovation of dynamic cost management on goal achievement through cost utilization fitness, productivity efficiency proficiency and value enhancement. Furthermore, the moderating effect of organizational learning capability is also investigated. The electronics and electrical manufacturing businesses in Thailand, 303 companies, are used as the samples. Questionnaire was used to collect data. Data were then analyzed by using the Ordinary Least Squares (OLS) method of regression analysis. Results indicate that innovation of dynamic cost management has positive impact on goal achievement through consequences as the mediators. In addition, for moderating effects, organizational learning capability has shown partially positive supported between dynamic cost management innovation and consequences. The results can be a useful cost management process link to operation, and to enhance its success via dynamic competitive advantage and continuous corporate survival.

Keywords: dynamic cost management, innovation, goal achievement, electronic and electrical manufacturing businesses

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วัตกรรมการจัดการต้นทุนเชิงพลวัตและ ความสำเร็จตามเป้าหมาย: การวิจัยเชิงตรวจสอบ ธุรกิจผลิตเครื่องใช้ไฟฟ้าและอุปกรณ์ไฟฟ้าผลิต ในประเทศไทย

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บทคัดย่อ

งานวิจัยนี้มีวัตถุประสงค์เพื่อตรวจสอบเชิงประจักษ์ถึงผลกระทบของวัตกรรมการจัดการต้นทุนเชิงพลวัตและความสำเร็จตามเป้าหมาย โดยผ่านตัวแปรคั่นกลางได้แก่ การใช้ประโยชน์ของต้นทุนอย่างคุ้มค่า ความสามารถในการผลิตอย่างมีประสิทธิภาพ และการเพิ่มขึ้นของมูลค่า นอกจากนั้นความสามารถในการเรียนรู้ขององค์กรเป็นตัวแปรแทรก โดยใช้แบบสอบถามในการเก็บข้อมูลจากธุรกิจผลิตเครื่องใช้ไฟฟ้าและอุปกรณ์ไฟฟ้าในประเทศไทยจำนวน 303 ราย และใช้สถิติการวิเคราะห์การถดถอยแบบกำลังสองน้อยที่สุดทั่วไป (OLS) ผลการศึกษพบว่า วัตกรรมการจัดการต้นทุนเชิงพลวัตมีผลกระทบเชิงบวกต่อความสำเร็จตามเป้าหมายโดยผ่านตัวแปรคั่นกลาง นอกจากนั้น ความสามารถในการเรียนรู้ขององค์กรมีความสัมพันธ์เชิงบวกระหว่างวัตกรรมการจัดการต้นทุนเชิงพลวัตกับตัวแปรคั่นกลางเพียงบางส่วนเท่านั้น ผลที่ได้จากการศึกษาสามารถเชื่อมโยงกระบวนการจัดการต้นทุนให้เกิดประโยชน์ต่อการดำเนินงาน ก่อให้เกิดความสำเร็จมากขึ้นโดยใช้การได้เปรียบในการแข่งขันเชิงพลวัตและความอยู่รอดขององค์กรอย่างต่อเนื่อง

คำสำคัญ: นวัตกรรม, การจัดการต้นทุนเชิงพลวัต ความสำเร็จตามเป้าหมาย ธุรกิจผลิตเครื่องใช้ไฟฟ้าและอุปกรณ์ไฟฟ้า

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Introduction

During the past two decades, organizations have had to respond to the trends and changes in the business environment with new and better approaches to managing their businesses. For the need to comply with the conditions of market competition that fluctuate over time, companies and products to rely on accounting data and information which has an advantage over the competition (Wang & Wu, 2012). Currently, technology and telecommunications systems introduces to concepts of new business to consider of cost and management accounting of business. It needs to be improved and developed as to the concepts of costs, and new management, so that management uses it as a tool for managing cost effectiveness and efficiency that it continuous (Martinette, 2014). Moreover, managerial accounting system efficiency is requires much accounting knowledge richness, that to use in planning production to cause reasonable cost and efficiency. It includes the design of the data management system to determine the costs incurred by a strategy or organizational policy for long-term operation.

Dynamic cost management innovation is necessary to apply to the effective cost and in appropriate circumstances that rely on many factors. Examples are strategic cost management focus, target cost implementation, competitive-based cost emphasis and advanced

manufacturing technology capability (Picur, 2007). These factors also influence cost management that is incurred for the acquisition. This matter can be an issue of innovation, cost management adaptation and application of existing technology in the business. Also, cost management is the way to obtain two results: 1) productivity that has been taken out of production to meet the goal, 2) measuring the ability of the organization to help raise the quality of the production cycle.

Considering the above reasoning, electronics, electrical, food and information technology business are aware of reducing costs in all production activities and increasing the ability to create ways, means, and applications of managerial accounting information which generates firm value and good performance.

In this study, the analysis is based on the sample of electronics and electrical manufacturing business in Thailand because electronics and electrical business is an important contributor to Thailand's economy (Anderson, Asdemir, & Tripathy, 2013). Therefore, firms often look closely at the production that must maximize output for a given set of scarce inputs or minimize the cost of producing a given output. Hence, the specific research questions are (1) how does dynamic cost management innovation impact to goal achievement through mediating the

relationship among cost utilization fitness, productivity efficiency proficiency, and value enhancement?, (2) how do the consequences, including cost utilization fitness, productivity efficiency proficiency, and value enhancement have an effect on goal achievement?, (3) how does cost utilization fitness effect on productivity efficiency proficiency?, (4) How does productivity efficiency proficiency effect on value enhancement?, and (5) how does organizational learning capability moderate the relationship among dynamic cost management innovation and mediating?.

Research Objectives

The main objectives of this studies are as follows: (1) to empirically examine the effects dynamic cost management innovation on cost utilization fitness, productivity efficiency proficiency, and value enhancement, (2) to examine the mediating effects of three consequences on goal achievement; specially (3) to investigate the association between cost utilization fitness with productivity efficiency proficiency, (4) to determine the association between productivity efficiency proficiency with value enhancement, Moreover (5) to scrutinize the relationships between dynamic cost management innovation and consequences by using organizational learning capability as a moderator.

Theoretical Foundation

This study applies the knowledge-based theory of the firm (KBT) and cognitive theory to explain conceptual framework, that to support how dynamic cost management innovation affects consequences and goal achievement.

The significant key of knowledge-based theory of the firm (Grant, 1996) is knowledge, skill, competence, experience, proficiency and performance that this conceptual model which regard as in person level.

Cognitive theory (Bandura, 1999) is an important for understanding and explaining human behavior and action. Previous research has applied cognitive theory is defined as an individual's preferred way of gathering, processing, and evaluating information relating to creativity, problem-solving and decision making.

Literature Review, Conceptual Framework and Hypotheses Development

The literature distinguishes dynamic cost management innovation is one of the management techniques that provide useful cost information to strategic development decision-making and a sustainable competitive advantage. Therefore, the conceptual model of this study is presented as shown in Figure 1.

1. Dynamic Cost Management Innovation

Dynamic cost management innovation (Anderson, Asdemir, & Tripathy, 2013) is refers to organization knowledge of cost to build the concepts, methods and new techniques for application in the development process to achieve a competitive advantage, as well as comply with the situations and circumstances change. Finally, the goal and the objectives of the firm are achievement.

1.1 Strategic Cost Management Focus

Strategic cost management focus (Archie, 2003) refers to a focus on linking the cost of compliance with the company's strategy, and the development of criteria for allocation on the system to make operations more efficient. Therefore, hypotheses 1a-1c is formulated as follows:

Hypotheses 1a-c: Strategic cost management focus is expected to improve (a) cost utilization fitness, (b) productivity efficiency proficiency, and (c) value enhancement, to allow businesses to focus more effective on goal achievement.

1.2 Target Cost Implementation

Target cost implementation (Dekker & Smidt, 2003) is defined as a costing technique that uses the maximum allowable cost price to be achieved during the product development, as market orientation coordinates functional

activities of the product designers and the interactions with strategic learning. Therefore, hypotheses 2a-2c is formulated as follows:

Hypotheses 2a-c: Target cost implementation is expected to improve (a) cost utilization fitness, (b) productivity efficiency proficiency, and (c) value enhancement, to allow businesses to focus more effective on goal achievement.

1.3 Competitive-Based Cost Emphasis

Competitive-based cost emphasis (Dekker & Smidt, 2003) refers to recognizing the comparative costs of an operation and analytical resources of competitors, so that businesses understand the potential and such information used to make decisions effectively. Therefore, hypotheses 3a-3c is formulated as follows:

Hypotheses 3a-c: Competitive-based cost emphasis is expected to improve (a) cost utilization fitness, (b) productivity efficiency proficiency, and (c) value enhancement, to allow businesses to focus more effective on goal achievement.

1.4 Advanced Manufacturing Technology Capability

Advanced manufacturing technology capability (Santa, Ferrer, Bretherton, & Hyland, 2009) is defined as an organization's ability to mobilize and deploy the computer-based technologies for operation activities in a wide

variety of industries such as used for design produce products, and inventory control. Therefore, hypotheses 4a-4c is formulated as follows:

Hypotheses 4a-c: Advanced manufacturing technology capability is expected to improve (a) cost utilization fitness, (b) productivity efficiency proficiency, and (c) value enhancement, to allow businesses to focus more effective on goal achievement.

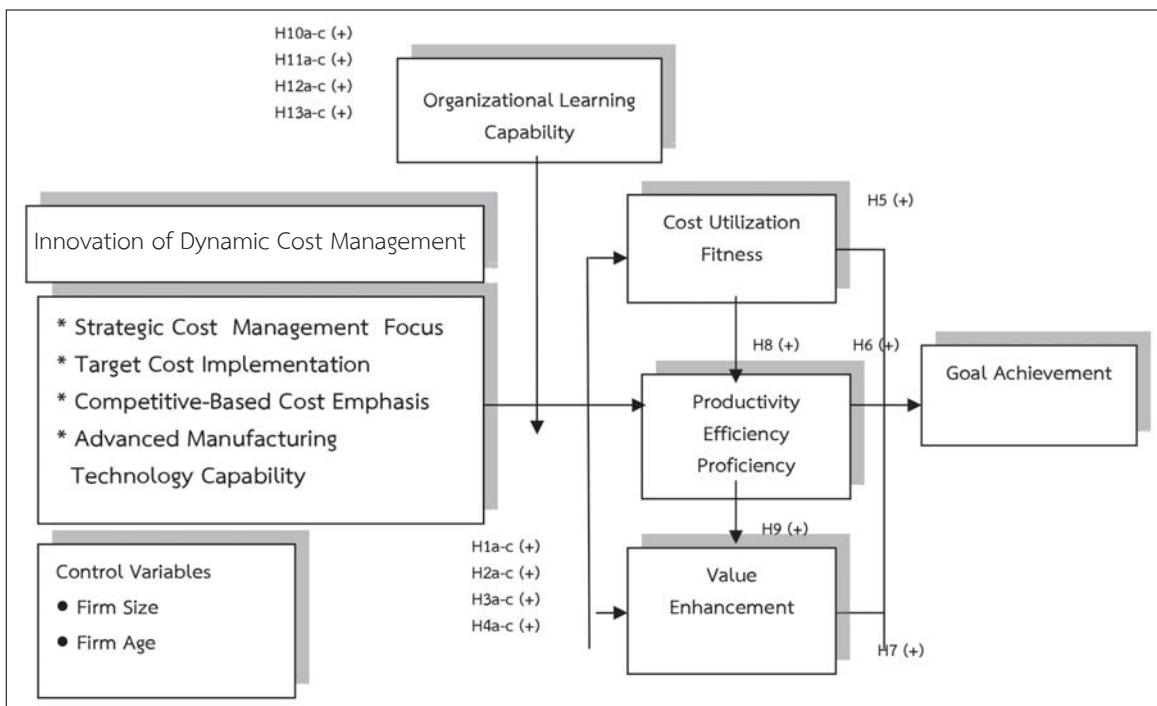


Figure 1: Conceptual Model Innovation of Dynamic Cost Management and Goal Achievement: An Empirical Investigation of Electronics and Electrical Manufacturing Business in Thailand ... ตรวจสอบความถูกต้องของรูปด้วย

2. Mediating of Relationships between Dynamic Cost Management innovation and Consequences

2.1 Cost Utilization Fitness

Cost utilization fitness refers to indentifying

and analyzing the costs to be recognized and understand; as well as having the management to be able to decide according to the situation and to achieve cost effective. Moreover, it measures the quality of cost information to help management evaluate the more importance

relationships of quality problems and identify major opportunities for cost reduction and improving their productivity (Wang & Wu, 2012). Therefore, hypotheses 5 and 8 are formulated as follows:

Hypothesis 5: The level of cost utilization fitness will positively relate to goal achievement.

Hypothesis 8: There is a positive association degree of cost utilization fitness with productivity efficiency proficiency.

2.2 Productivity Efficiency Proficiency

Productivity efficiency proficiency refers to capable forecasting and planning output of product and to lead increase customer responsiveness (Chenhall, 2003). Moreover, productivity efficiency proficiency is ability to make new product development and products to the market quickly than major competition (Wangcharoendate, 2015). Therefore, hypotheses 6 and 9 are formulated as follows:

Hypothesis 6: The level of productivity efficiency proficiency will positively relate to goal achievement.

Hypothesis 9: There is a positive association degree of productivity efficiency proficiency to value enhancement.

2.3 Value Enhancement

Value enhancement refers to the firm's capability to launch new products and

services to achieve customer satisfaction and decisions, based on their project efficiency and useful information. Therefore, hypothesis 7 is formulated as follows:

Hypothesis 7: The level of value enhancement will positively relate to goal achievement.

3. Moderating effects of the relationships

3.1 Organizational Learning Capability

Organizational learning capability is defined as the organization's ability to create and improve knowledge based on the managerial commitment, systems perspective and knowledge transfer and integration of all the processes in an organization (Cinquini & Tenucci, 2010). Consistent with Martinette (2014) it is proposed that organizational learning capability consists of three processes: 1) information acquisition; 2) information dissemination; and 3) shared interpretation. Therefore, the hypotheses 10-13 are formulated as follows:

Hypotheses 10-13: Organizational learning capability has a moderating effect on the relationship between the amount of dynamic cost management innovation and consequences.

4. Dependent Variable

4.1 Goal Achievement was measured by the increase in outcomes, financial performance, non-financial performance, and the ability of a

firm in managerial accounting control because these reflect high degree of profitability and shareholder satisfaction.

5. Control Variables

5.1 Firm size is measured by the number of employees currently registered as full-time. Firm size may affect the ability of the firm to adjust and re-define the firm's strategy (Baden-Fuller & Volberda, 1997). In this research, firm size is represented by a dummy variable in which 0 means a firm has total employees less than 200 employees, and 1 means a firm has total employees equal to or more than 200 employees.

5.2 Firm age refers to the period of time the firm has been in business (Biddle & Hilary, 2006) In this research, firm age is represented by a dummy variables in which 0 means that the firm has been in business less than 20 years, and 1 means the firm has been in business 20 years or more.

Research Methodology

The aims were explored through two sets of research method – (1) sample selection and data collection procedure and (2) questionnaire development.

1. Sample Selection and Data Collection Procedure

The population of this study was the

electronics and electrical manufacturing business in Thailand found at the Development of Business Department (DBD), Ministry of Commerce Thailand database online: <https://www.dbd.go.th>. This data base includes 1,858 firms. (accessed February 8, 2015). The accounting directors or managers of each firm were the key informants.

An appropriate sample size is 320 firms under the 95% confidentiality rule (Krejcie & Morgan, 1970) Based on prior business research, a 20% response rate for a mail survey, without an appropriate follow-up procedure is deemed sufficient (Aaker, Kuma, & Day, 2001). Hence, the sample size is $100\% = (320 \times 100 / 20) = 1,600$ firms that are an appropriate sample for a distributed mail survey. There were 119 surveys undeliverable, because of some firms dismissed or had moved to unknown locations. 25 of the surveys are not complete. Then, the valid mailing was 1,456 surveys from which 303 responses were received as surveys completed. The effective response rate was approximately 20.81%. (Aaker, Kuma, & Day, 2001).

2. Questionnaire Development

In this study, several constructs and multiple scale items are developed from new scales, from literature reviews, therefore, a pre-test method is an appropriate to be conducted to assert validity and reliability of questionnaire. The instrument was then pretested among thirty

key informants randomly from a population frame that must not be included in a sampling (Hewett, Roth, & Roth, 2003).

Five parts of questionnaires include: part one is for demography, part two are dimensions of dynamic cost managerial innovation construct. Part three discusses construct of consequences, and goal achievement. Part four dispute construct of moderating effect. And the final part is an open-ended for suggestions and opinion. All of variables were obtained from the survey and were measured by a five-point

Likert Scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Reliability and Validity

Table 1, shows that all variables have factor loading cores between 0.621 - 0.847 indicating that there is the construct validity. Also, the Cronbach's Alpha coefficients for all variables ranging from 0.717 - 0.832 indicates that these constructs accepted reliability level (Cronbach, 1951).

Table 1 The Results of Measure Validation and Reliability

Variables	Factor Loadings	Cronbach's Alpha
Goal Achievement (GA)	0.810 - 0.832	0.815
Strategic Cost Management Focus (SCMF)	0.728 - 0.847	0.832
Target Cost Implementation (TCI)	0.761- 0.822	0.816
Competitive-Based Cost Emphasis (CBCE)	0.740 - 0.802	0.798
Advanced Manufacturing Technology Capability (AMTC)	0.782 - 0.828	0.744
Cost Utilization Fitness (CUF)	0.754 - 0.814	0.805
Productivity Efficiency Proficiency (PEP)	0.763 - 0.811	0.724
Value Enhancement (VE)	0.650 - 0.790	0.726
Organizational Learning Capability (OLC)	0.621 - 0.692	0.717

This research employed both descriptive and inferential statistical techniques, including variance inflation factors (VIFs) which were applied to test for multicollinearity among the dependent variables. Correlation analysis tested the primary correlations between two variables, and multiple regression analysis

was operated to statistically estimate the coefficient of hypothesis tested following the conceptual model because both dependent and independent variables in this study are categorical data and interval data. Therefore, the equation models of the relationships are shown as follows:

$$\begin{aligned}
 \text{Equation 1: CUF} &= \alpha_1 + \beta_1 \text{SCMF} + \beta_2 \text{TCI} + \beta_3 \text{CBCE} + \beta_4 \text{AMTC} + \beta_5 \text{OLC} + \beta_6 (\text{SCMF} * \text{OLC}) + \beta_7 (\text{TCI} * \text{OLC}) + \beta_8 (\text{CBCE} * \text{OLC}) + \beta_9 (\text{AMTC} * \text{OLC}) + \beta_{10} \text{SIZE} + \beta_{11} \text{AGE} + \varepsilon \\
 \text{Equation 2: PEP} &= \alpha_2 + \beta_{12} \text{SCMF} + \beta_{13} \text{TCI} + \beta_{14} \text{CBCE} + \beta_{15} \text{AMTC} + \beta_{16} \text{OLC} + \beta_{17} (\text{SCMF} * \text{OLC}) + \beta_{18} (\text{TCI} * \text{OLC}) + \beta_{19} (\text{CBCE} * \text{OLC}) + \beta_{20} (\text{AMTC} * \text{OLC}) + \beta_{21} \text{SIZE} + \beta_{22} \text{AGE} + \varepsilon \\
 \text{Equation 3: VE} &= \alpha_3 + \beta_{23} \text{SCMF} + \beta_{24} \text{TCI} + \beta_{25} \text{CBCE} + \beta_{26} \text{AMTC} + \beta_{27} \text{OLC} + \beta_{28} (\text{SCMF} * \text{OLC}) + \beta_{29} (\text{TCI} * \text{OLC}) + \beta_{30} (\text{CBCE} * \text{OLC}) + \beta_{31} (\text{AMTC} * \text{OLC}) + \beta_{32} \text{SIZE} + \beta_{33} \text{AGE} + \varepsilon \\
 \text{Equation 4: GA} &= \alpha_4 + \beta_{34} \text{CUF} + \beta_{35} \text{PEP} + \beta_{36} \text{VE} + \beta_{37} \text{SIZE} + \beta_{38} \text{AGE} + \varepsilon \\
 \text{Equation 5: PEP} &= \alpha_5 + \beta_{39} \text{CUF} + \beta_{40} \text{SIZE} + \beta_{41} \text{AGE} + \varepsilon \\
 \text{Equation 6: VE} &= \alpha_6 + \beta_{42} \text{PEP} + \beta_{43} \text{SIZE} + \beta_{44} \text{AGE} + \varepsilon
 \end{aligned}$$

Results

Descriptive statistics and correlation matrix for all variables are shown in Table 2. Variance inflation factors (VIFs) ranged from 1.011-5.036 (Table 3) are well below the cut-off

value of 10 as recommended by Hair, Black, Babin, and Anderson (2006) meaning that the independent variables are not correlated with each other. Accordingly, there are no significant multicollinearity problems confronted.

Table 2 Descriptive Statistics and Correlation Matrix

Variables	SCMF	TCI	CBCE	AMTC	CUF	PEP	VE		GA	OLC
Mean	3.947	3.857	3.878	3.917	3.730	3.707	4.016		3.722	3.657
S.D.	0.696	0.696	0.765	0.678	0.873	0.782	0.663		0.751	0.715
SCMF	1.000									
TCI	.757**	1.000								
CBCE	.738**	.765**	1.000							
AMTC	.744**	.768**	.759**	1.000						
CUF	.783**	.720**	.763**	.805**	1.000					
PEP	.773**	.726**	.753**	.748**	.79**	1.000				
VE	.721**	.659**	.665**	.702**	.652**	.747**	1.000			
GA	.782**	.682**	.677**	.753**	.767**	.729**	.642**	1.000		
OLC	.803**	.698**	.727**	.763**	.790**	.778**	.715**	.838**	.712**	1.000

** Correlation is significant at the .05 level (2 tailed)

Table 3 presents the results of OLS regression analysis based equations 1-3 show the hypotheses that predicted are positively effects dimensions of dynamic cost management innovation on consequences (cost management outcomes). In equation 1, the results indicate that strategic cost management focus ($b_1 = .179$, $p < .05$), target cost implementation ($b_2 = .217$, $p < .05$), competitive-based cost emphasis ($b_3 = .134$, $p < .05$) have a positive significant effects on cost utilization fitness. Thus, hypotheses 1a-3a were supported, but only advanced manufacturing technology capability ($b_4 = .018$, $p > .05$) is not supported. Consistent with Buciuniene and Kazlausakaite (2012) who found that firms can achieve continuous firm performance in the long-term by using strategic linkage capability to operational cost efficiency.

Meanwhile in equation 2, the results show that strategic cost management focus ($b_{12} = .157$, $p < .05$), target cost implementation ($b_{13} = .181$, $p < .05$), competitive-based cost emphasis ($b_{14} = .179$, $p < .05$), and advanced manufacturing technology capability ($b_{15} = .167$, $p < .05$) have a positive significant effects on productivity efficiency proficiency. Thus, hypotheses 1b-4b was supported. Moreover, in equation 3, the results show that strategic cost management focus ($b_{23} = 0.136$, $p < .05$), target cost implementation ($b_{24} = .134$, $p < .05$), and competitive-based cost emphasis (b_{25}

$= .175$, $p > .05$), have a positive significant effects on value enhancement. However, the results show that advanced manufacturing technology capability ($b_{26} = .043$, $p > .05$) have insignificant effect on value enhancement. This means that the costs of being a leader as leaders who achieve overall cost in the industry through a series of policies aimed at a function for this purpose. Thus, hypotheses 1c-3c was supported but hypothesis 4c were not supported.

Equation 4, results showed that cost utilization fitness, productivity efficiency proficiency and value enhancement are positively significant on goal achievement ($b_{34} = .155$, $p < .05$; $b_{35} = .168$, $p < .05$; and $b_{36} = .147$, $p < .05$). Therefore, hypotheses 5-7 were supported. The results consistently, Valanciene and Gimzauskiene (2007) found that using cost management innovation allows assessing the achievement of the firm's goals and further perspectives.

Equation 5, the result shows that cost utilization fitness is positively significant related on productivity efficiency proficiency ($b_{39} = .186$, $p < .05$). Thus, hypothesis 8 was supported. The result consistent with prior researchers suggests that quality cost awareness is related to operational cost effectiveness. Moreover, productivity efficiency proficiency is positively significant related on value enhancement ($b_{42} = .192$, $p < .05$). In accordance with previous

research, the firms that have better performance should win the quality of the companies which leads to organizational operational efficiency, financial success, and a sustainable competitive advantage. Thus, hypothesis 9 was supported.

Table 3, also tested the effect of interaction between dynamic cost management innovation and organizational learning capability on consequences. The findings indicated that the interaction between organizational learning capability and strategic cost management focus have a positive significant effect on cost utilization fitness ($b_6 = 0.154$, $p < .05$), and productivity efficiency proficiency ($b_{17} = .127$, $p < .05$). In learning, organizations continuously learn better ways to deliver a product or service into making a better operation and performance. Hence, hypotheses 10a-b were supported but hypothesis 10c was not supported.

The interaction between organizational learning capability and target cost implementation has a positive significant effect on cost utilization fitness ($b_7 = 0.184$, $p < .05$), and

productivity efficiency proficiency ($b_{18} = .165$, $p < .05$). However, this interaction has a negative effect on value enhancement ($b_{29} = -.052$, $p > .05$), and insignificant. Therefore, hypotheses 11a-b was supported but hypotheses 11c was not supported.

Accordingly, the interaction among organizational learning capability and competitive-based cost emphasis has a positive significant effect on cost utilization fitness ($b_8 = .084$, $p < .10$), productivity efficiency proficiency ($b_{19} = .066$, $p < .05$), and value enhancement ($b_{30} = .051$, $p < .10$). Therefore, hypotheses 12a-c was supported.

Moreover, the interaction between organizational learning capability and advanced manufacturing technology capability have no significant and positive effect on cost utilization fitness ($b_9 = .024$, $p > .05$), and productivity efficiency proficiency ($b_{20} = .040$, $p > .05$), but negative effect on value enhancement ($b_{31} = -.011$, $p > .05$). Therefore, hypotheses 13a-c were not supported.

Table 3 The results of OLS Regression analysis^a

Independent Variables	Dependent Variables			
	E 4: Goal Achievement	E 1: Cost Utilization Fitness	E 2: Productivity Efficiency Proficiency	E 3: Value Enhancement
Strategic Cost Management Focus (SCMF)		.179** (.075)	.157** (.076)	.136** (.080)
Target Cost Implementation (TCI)		.217** (.065)	.181** (.071)	.134** (.085)
Competitive-Based Cost Emphasis (CBCE)		.134** (.078)	.179** (.086)	.175** (.091)
Advanced Manufacturing Technology Capability(AMTC)		.018 (.080)	.167** (.090)	.043 (.051)
Organizational Learning Capability (OLC)		.136** (.068)	.182** (.075)	.115** (.071)
SCMF x OLC		.154** (.071)	.127** (.060)	-.073 (.077)
TCI x OLC		.184** (.083)	.165** (.093)	-.052 (.077)
CBCE x OLC		.084* (.067)	.066* (.033)	.051* (.081)
AMTC x OLC		.024 (.060)	.040 (.046)	-.011 (.070)
Cost Utilization Fitness (CUF)	.155** (.067)		.186** (.010)	
Productivity Efficiency Proficiency (PEP)	.168** (.058)			.192** (.010)
Value Enhancement (VE)	.147** (.071)			
SIZE	.005 (.093)	.022** (.106)	.031** (.123)	.190* (.106)
AGE	.100 (.094)	-.011 (.016)	-.0172 (.012)	-.0151 (.106)
Adjusted R square	.301	.369	.384	.432
Maximum VIF	1.011	5.036	5.036	5.036

** p < .05, * p < .10 ^a Beta coefficients with standard errors in parenthesis.

Research Discussion

Dynamic cost management innovation is a critical type of information to the success of a company as it helps managers understand and use the cost and other information to support the management of the firm and the achievement of its strategic goals. Additionally, the successful use of cost information depends not only sharing across departments, but also its effective to coordination, which brings value to the firms. For competitive success, a firm needs to focus on long-term such as customer loyalty, the quality of products, and manufacturing advances. Therefore, possession of the best innovation and cost management information are the key element in attaining and sustaining a strategic competitive advantage for success. Dynamic cost management tools are also effectively used to improve supplier development activities, and add value for the customer. Cost management innovation shift is the result of an increasing competitive environment due to information technology and the introduction of new manufacturing, the focus on the growth of worldwide markets, introduction of new forms of management organization, and focus on the customer.

Conclusion

A central aim of strategic cost management is to help organization adapt and respond to environmental changes, which tend to deal

with decisions that affect the long-term future of the organization. Therefore, dynamic cost management innovation and accounting information plays an important role in determining the most appropriate strategic direction for the organization.

The objective of this study as to examine the effect of dynamic cost management innovation on goal achievement of electronics and electrical manufacturing business in Thailand via the mediating effects of cost utilization fitness, productivity efficiency proficiency, and value enhancement. Dynamic cost management innovation includes strategic cost management focus, target cost implementation, competitive-based cost emphasis, and advanced manufacturing technology capability which is independent variables, while goal achievement is a dependent variable of this study. The instrument for data collection is a questionnaire that was mailed to 303 electronics and electrical firms in Thailand as the sample of the study. The results of OLS regression analysis indicate that dynamic cost management innovation has positive impact on goal achievement through consequences as the mediators. For moderating effects, organizational learning capability shows partially positive supported. Consequently, dynamic cost management innovation is a significant powerful tool for generate new ideas, improve production processes, and change their mindset of managing and survival.

Suggestion and Future Research Directions

Thailand businesses need to solve efficient organization management and innovation development in production processes that require improvement from sophisticated auto parts which are the new great phase of emphasis in Thailand's robust automotive industry. Accordingly, six criteria are selected to reflect competitive priorities: quality, customer-focus, delivery, flexibility, know-how, and costs, to enhance manufacturing firm's competitiveness. In addition, the previous research found that more complicated business transactions require more accounting information for supporting decision-making. In view of this study, dynamic cost management innovation promotes an effective management system in this dynamic environment by facilitating strategic cost management and is subsequent to enhancing the auto parts business in Thailand to build competitiveness.

There are a number of suggestions for future research that should be discussed. First, future research might consider other types of businesses such as technology businesses or food businesses to extend the generalizability of the results. Second, the finding show that dynamic cost management innovation relationship concern does not affect business excellence and value-added cost orientation does not affect cost utilization. Future research

might re-investigate the relationship because environmental and time changes might affect the findings.

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