



## Note on a New Zealand replication of the Innes et al. UK activity-based costing survey

William D.J. Cotton<sup>a,\*</sup>, Susan M. Jackman<sup>b</sup>, Richard A. Brown<sup>c</sup>

<sup>a</sup> School of Business, State University of New York at Geneseo, Geneseo, NY 14454, USA

<sup>b</sup> School of Business, Christchurch College of Education, Christchurch, New Zealand

<sup>c</sup> University of Dundee, Dundee, Scotland, UK

Received 2 July 2002; accepted 2 October 2002

---

### Abstract

Activity-based costing (ABC) is a well known technique for costing products and providing management information. This note reports the results of a faithful replication in New Zealand (NZ) of Innes et al.'s 1999 UK survey of ABC usage and a comparison of the results of the two surveys.

Adoption rates were found to be similar, with NZ companies showing slightly lower rates of implementation of ABC than UK companies. However, once they had implemented the method, NZ companies demonstrated greater commitment to ABC across more areas of the firm than UK companies. ABC systems in NZ tended to display less complexity than their UK counterparts. Strong correlations were found in the different uses of ABC by industry sector, but there were contrasting perceptions on the success and importance of some ABC applications.

This study provides an insight into ABC in NZ, data on trends in ABC experiences between two countries of widely differing size and geographic location, and suggestions for further research.

© 2003 Elsevier Science Ltd. All rights reserved.

*Keywords:* Activity-based costing; Survey replication; Management accounting

---

### 1. Introduction

The rationale for the replication study reported in this note is twofold. First, apart from limited surveys conducted by Cotton (1993) and Lowe (1994), no data exist on the use of activity-based costing (ABC) in New Zealand (NZ). Second, there was a desire to carry out a replication of a prior survey in a different location. Most survey research to date have provided only evidence of ABC adoption at one location and

---

\* Corresponding author. Tel.: +1-585-245-5364; fax: +1-585-245-5467.

*E-mail addresses:* cotton@geneseo.edu (W.D.J. Cotton), susan.jackman@cce.ac.nz (S.M. Jackman), r.a.brown@dundee.ac.uk (R.A. Brown).

one point in time. The exception is [Innes et al. \(2000\)](#), who replicated in 1999 their survey of large United Kingdom companies carried out in 1994 ([Innes and Mitchell, 1995, 1997; Innes, 1999](#)).

This note summarizes some empirical evidence of trends in two widely diverse locations in the practical consideration, adoption and use of ABC. The note is based upon a comparison of the 1999 UK survey with a NZ survey carried out by the authors in 2001. The NZ survey instrument was a replica of that used in the UK. The study reported in this note provides new evidence on the usage of ABC in NZ and was the first replication of the Innes and Mitchell study outside the UK.<sup>1</sup>

It is recognized that there were differences in the population characteristics of the NZ and UK firms in the surveys. The most obvious difference is in the size of the firms. No specific questions about the size of firms were included in either survey, but it is noted that the NZ population included a number of small organizations not quoted on the NZ Stock Exchange, whereas the UK survey population consisted of firms in the Times 1000. The average capitalization of all firms quoted on the London Stock Exchange is larger than that of firms quoted on the NZ Stock Exchange. It is reasonable to conclude that the average size of firms responding to the NZ survey was significantly less than the average size of firms responding to the UK survey.

## 2. Design of the study

To ensure comparability, the New Zealand survey instrument was an exact replica of that used by [Innes et al. \(2000\)](#) subject to a few cosmetic adjustments in layout and wording. The target population consisted of Chartered Accountants (CAs) who were Corporate Sector members of the Institute of Chartered Accountants in New Zealand (ICANZ) and who were currently in active employment in specified types of organizations having more than 100 employees. The specified organizations were commercial firms (by far the largest category), local government organizations, not-for profits, and state owned enterprises. This resulted in a target population of 748. The rationale for surveying Corporate Sector CAs was that these would be the people in the organization most likely to have a good working knowledge of ABC.

The NZ questionnaire was distributed by mail in September 2001 and there was a satisfactory response rate of approximately 40%. Non-response bias is a potential problem in any survey. Appropriate tests provided no evidence of significant non-response bias in respect of the New Zealand survey.

## 3. Results

In the results reported below, the 2001 NZ survey statistics are presented first, followed by the UK statistics in parentheses. All results were supported by appropriate statistical tests.<sup>2</sup>

### 3.1. Adoption rates

Rates of use of ABC were running at similar levels—20.3% (17.5%), but fewer companies in NZ were considering using ABC—11.1% (20.3%) and fewer companies in NZ rejected the technique after

<sup>1</sup> The authors are aware that Professor Bernard Pierce and others planned to carry out a similar study in Ireland in 2002.

<sup>2</sup> In most cases, the test statistic used was the Pearson Chi-square.

متن کامل مقاله

دریافت فوری ←

**ISI**Articles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات