

AN EMPIRICAL INVESTIGATION OF THE ADOPTION STATUS OF THE NEW MANAGEMENT ACCOUNTING TECHNIQUES AMONG KENYAN MANUFACTURING COMPANIES

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ABSTRACT

The aim of this study is to investigate the adoption status of modern management accounting techniques among Kenyan manufacturing companies and the challenges facing the adoption of the new techniques. A well structured questionnaire was used to collect the data. 56 companies which represents 30% of the population were sampled and 43 of them returned the completed questionnaire. Descriptive statistics, one sample t-test and Spearman correlation were used to analyze the data. It was found out that most of the new techniques have not been adopted as only Total Quality Management, Customer Accounting, Throughput Accounting and Back flush Accounting have been partially or fully adopted. As touching the difficulties facing the adoption, lack of management support is the most prevailing difficult, followed by lack of awareness of those techniques and preference for financial/historical information. The findings of this study also indicate that manufacturing companies in Kenya currently practices traditional management accounting techniques while some of them use some new techniques alongside. Empirical evidence from this study also suggests a moderate and positive relationship between firm size and adoption of modern management accounting techniques.

Keywords: Accounting, Techniques, Adoption, Management, Cost.