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Moderating Effect of Usefulness Management Accounting System on the Relationship between Innovation and Firm Performance: Evidence from Bandung District, West Java, Indonesia

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Abstract: The aim of this study is to investigate the effect of usefulness management accounting systems on the relationship between innovation and firm performance. In this study, data of 7 Stated-Owned Enterprise Bandung District, that is introduce and proportional sampling of 64 as user on June, 2017. The method of this research is time order decision by Johnson and Onwugbuzie's. This approach is selected considering during the data are collected through interviewing related respondents to re-confirmation the data from questionnaires. Management accounting system and innovation has been considered as an important determinant of firm performance, because that are has been conceptualized in different ways and due to fierce competition in the marketplace, globalization and an explosion of technology in recent year. According Contingency Theory to research findings; positively Pearson correlation among usefulness of management accounting systems, innovation and firm performance, the result indicate that a significant effect usefulness of management accounting systems and innovation on the firm performance, and surprising, significant moderate effect usefulness of management accounting systems on the relationship between innovation and firm performance. Based on interview conducting to random and selected of 14 respondents, indicate that State-Owned Enterprise Bandung District less-sufficient creativeness adopted of innovation in the business process. Then, implication of finding research not only might increase firm performance and linkage between financial and non-financial measures as affecting by implementation of strategic advantages through dimensions of innovations space, its more.

Keywords: Usefulness of Management Accounting System, Innovation, Firm Performance and State-Owned Enterprise Bandung District.

INTRODUCTION

Tracing from previous research as of Saeidi *et al* (2013), Valeira *et al* (2015), and Ghasemi *et al* (2015) justify show that moderating of management accounting system on the relation between innovation change on