THE ROLE OF MANAGEMENT ACCOUNTING PRACTICES IN
DETERMINING CUSTOMER SATISFACTION:

THE CASE OF SRILANKAN FIRMS

BY

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DECLARATION

I certify that the above statement made by the candidate is true and that this thesis is suitable for submission to the University for the purpose of evaluation.

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# LIST OF ABBREVIATIONS

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<tbody>
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<td>1.</td>
<td>ABC</td>
<td>Activity Based Costing</td>
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<tr>
<td>2.</td>
<td>SC</td>
<td>Standard Costing</td>
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<tr>
<td>3.</td>
<td>LCC</td>
<td>Life Cycle Costing</td>
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<td>4.</td>
<td>TC</td>
<td>Target Costing</td>
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<tr>
<td>5.</td>
<td>QC</td>
<td>Quality Costing</td>
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<td>6.</td>
<td>BG</td>
<td>Budgeting</td>
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<td>7.</td>
<td>CPA</td>
<td>Customer Profitability Analysis</td>
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<td>CVPA</td>
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<td>9.</td>
<td>BM</td>
<td>Benchmarking</td>
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<td>10.</td>
<td>CRM</td>
<td>Customer Relationship Management</td>
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<tr>
<td>11.</td>
<td>TQM</td>
<td>Total Quality Management</td>
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<td>12.</td>
<td>PM</td>
<td>Performance Management</td>
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<td>13.</td>
<td>BSC</td>
<td>Balanced Score Card</td>
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<td>14.</td>
<td>VCA</td>
<td>Value Chain Analysis</td>
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<td>15.</td>
<td>SWOTA</td>
<td>SWOT Analysis</td>
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The role of Management Accounting Practices in Determining Customer Satisfaction: The Case of Sri Lankans Firms

Pancherine G. Dias

ABSTRACT

This research examines the role of management accounting practices in determining customer satisfaction. All together 15 management Accounting practices were used in the study. Namely, Activity Based Costing, Standard Costing, Life Cycle Costing, Target Costing, Quality Costing, Budgeting, Customer Profitability Analysis, Cost Volume Profit Analysis, Benchmarking, Customer Relationship Management, Total Quality Management, Performance Management, Balanced Score Card, Value Chain Analysis, SWOT Analysis are the practices that were considered in the study.

Of the fifteen management accounting practices included in the study only seven of them, particularly, Budgets, Standard Costing & Variance analysis, Cost volume profit analysis, Customer profitability analysis, Total quality management, Customer relationship management, SWOT Analysis have significant relationships.

Of the significant relationships Budgeting, Customer Profitability Analysis, Total Quality Management and Customer Relationship Management have negative relationships. Standard Costing, Cost Volume Profit Analysis and SWOT Analysis have positive relationships.

Second model tested in the study was the satisfaction model. It was found that OM Satisfaction with Finance and Product/Service Satisfaction have positive effects on the Overall Satisfaction with the company. Surprisingly, HR Satisfaction with Finance and
Marketing Satisfaction with Finance did not have significant effects on overall satisfaction.

Third, attempt was made to develop an overall model. It was found that Product/Service Satisfaction, Degree of Pleasantness, Do Marketing Find Finance Responding to Customer Needs and Do You Find Finance Adhering to HR practices are found to be important in determining overall customer satisfaction. All three models developed in the study are new to the field of education in management research.
CHAPTER 1: INTRODUCTION

Shari Mohomad Yusof (2003); A Survey of TQM practices in the Malaysian electrical and electronic industry, Rune M. Moen (1998) New quality cost model used as a top management tool, Sandra Cohen, George Venieris and Efrosini Kaimenakai (2005); ABC: adopters, supporters, deniers, and unaware, Sue Llewellyn (1998); Publishing budgets down the line: ascribing financial responsibility in the UK social Services, Tajinder Pal Singh Toor (2009); Creating competitive edge through improved customer relationship management, Ulrika Hellsten and Bengt Klefsjo (2000); TQM as a management system consisting of values, techniques and tools.


However, the relationship between management accounting & customer satisfaction is a topic which is barely researched. Therefore the research problem and the objectives of the study are organized as follows.