

Abstract

The dynamic and evolving nature of the present business organizations has resulted in stiff competition and drives needs for achieving sustainable competitive advantages to obtain better organizational performances. Therefore the decision making process for strategy implementation is of prime importance. Accordingly, the information generated via Management Accounting Systems (MAS) should provide vital timely information. However the same information can be viewed and interpreted differently by the top managers of the organizations, and this can have a significant impact on the decision making process of the organizations.

Accordingly, the current study was conducted with a purpose of exploring to what extent the differences in top manager background have an impact on the use of MAS and organizational strategy implementation process in Sri Lanka. The background of the top managers was evaluated based on the Upper Echelon Theory (UET), introduced by Hambrick & Masons (1984). Accordingly the top manager background was measured using the educational background and career experience of the top managers which lead to categorize top managers in to two categories as technically oriented and administratively oriented top managers.

To meet the purpose of the study, five objectives were developed. The first and second objectives were to identify how top managers with technical background and administrative background in Sri Lankan organizations be different in using MAS and implementing strategy respectively. Third objective was to explore the relationship between the use of MAS with strategy implementation. Fourth objective was to explain how the educational and functional background of top managers influences the use of MAS for strategy implementation and finally the fifth objective was to discuss the impact of educational and functional background of top managers in use of MAS and the strategy implementation in Sri Lankan organizations.

To meet the established objectives of the study, a rigorous literature review was performed and based on it, the conceptual model and eighteen hypotheses of the study

were developed. The study was conducted as a survey based study which the findings were triangulated with some In-depth interviews conducted.

The top manager background was measured with an administrative score developed based on the top manager educational background and career experience. Use of MAS was studied on four aspects as style, type, purpose and innovative use of MAS. The strategy implemented was measured using two strategies involved in Miles & Snow strategy typology (1978), namely strategies of prospector and defender.

The samples of top managers selected were limited to the Sri Lankan manufacturing sector. Data were analysed using Partial Least Squares (PLS) analysis with the software SmartPLS (MP3 release) while employing the procedure given by *Handbook of partial least squares*,(2010).

The results of the data analysis revealed that, the top manager background has a significant impact over the use of MAS and strategy implementation. Therefore it confirms the applicability of the UET in Sri Lankan manufacturing setting. The link between the use of MAS and strategy implementation was only partially supported. The study also concludes that the top manager background mediates the use of MAS for strategy implementation.

The study contributes to the existing stock of literature, specially relating to south Asian, Sri Lankan setting where the UET has been tested for the first time and also findings will be important to the business organizations in having the right blend of top managers to implement their respective organizational strategies. Moreover, the higher educational institutes will also be benefitted in developing their curricular to match with the corporate sector requirements.