Figure 2. Impacts of the extent of ABC use on organizational performance

**Model 1:** direct and indirect effects of the extent of ABC use on financial performance

**Model 2:** indirect effects of the extent of ABC use on financial performance through operational performance
Model 3: direct effects of the extent of ABC use on operational performance

Note: Bu=budgeting; CM=cost management; DCP=determine customer profitability; DR=delivery reliability; e1–e14=measurement error associated with the observed variables; FP=financial performance; OA=as an off-line analytic tool; OD=outsourcing decisions; OPP=operational performance; PC=product costing; PD=pricing decisions; PEs=process effectiveness; PEy=process efficiency; PM=performance measurement; PMD=product mix decisions; P/S Q=product/service quality; ROA=return on assets; Sa=sales; TC=total costs; Var1-Var2=residual error in the prediction of unobserved endogenous factor. The models also contain path coefficients between the factors as well as factor loadings from the factors to the observed variables; * significant at the .05 level; ** significant at the .01 level.