

Table 4. Explanatory power, path coefficients and impacts for the three alternative models of the impacts of the extent of ABC use on organizational performance

| | Model 1: direct and indirect effects of the extent of ABC use on FP | Model 2: indirect effects of the extent of ABC use on FP through OPP | Model 3: direct effects of the extent of ABC use on OPP |
|---|---|--|---|
| Explanatory power (SMC) | | | |
| OPP | .38 | .41 | .37 |
| FP | .63 | .64 | |
| Direct Impacts of ABC on FP or OPP (path coefficients) | | | |
| CA \longrightarrow FP | .14 | | |
| CS \longrightarrow FP | .02 | | |
| CE \longrightarrow FP | -.02 | | |
| CA \longrightarrow OPP | .25* | .28** | .24* |
| CS \longrightarrow OPP | .28** | .28** | .27** |
| CE \longrightarrow OPP | .23* | .22* | .23* |
| OPP \longrightarrow FP | .72** | .80** | |
| Indirect Impacts of ABC on FP through OPP (path coefficients) | | | |
| CA \dashrightarrow OPP \dashrightarrow FP | | .23** | |
| CS \dashrightarrow OPP \dashrightarrow FP | | .22** | |
| CE \dashrightarrow OPP \dashrightarrow FP | | .17* | |
| Total Impacts of ABC on OP (Direct + Indirect) (path coefficients) | | | |
| CA \dashrightarrow OPP \dashrightarrow FP \uparrow | | .51** | |
| CS \dashrightarrow OPP \dashrightarrow FP \uparrow | | .50** | |
| CE \dashrightarrow OPP \dashrightarrow FP \uparrow | | .39* | |

Note: ABC=activity-based costing; CA=cost analysis; CE=cost evaluation; CS=cost strategy; FP=financial performance; OPP=operational performance; SMC=squared multiple correlation; *p < .05; **p < .01; values in **bold** show paths inconsistent with theory (negative and/or insignificant)