THE LEVEL OF ADOPTION OF ACTIVITY BASED COSTING IN JORDAN

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ABSTRACT
The low rate of ABC implementation, as empirically observed across a range of countries and industries have motivated some researchers to write about it. Moreover, there is growing evidence to suggest that most of these companies encountered problems in implementing ABC and, in extreme cases, did not have success with it, which later resulted in abandoning the ABC system altogether. This suggests that if ABC has demonstrated benefits, why then, is it not actually implemented by a gradually increasing number of companies. This research sheds light on this issue in manufacturing companies in Jordan; one of the developing countries. The research employs questionnaire to collect data, 76 valid questionnaires were gathered. The results assert that of the 76 respondent, 11.8% used ABC information as a part of their daily practices or when integrating data with other systems. The most common reasons for not considering ABC were the inherent difficulties with ABC design and implementation and the costs that might be incurred. Resistance to change by employees (3.16) was, at best, a weak barrier. Also, the lack of top management support and the lack of internal resources (mean 2.92, 2.83, respectively) were not considered to be a major reason for not considering ABC.

KEY WORDS: Activity Based Costing, Manufacturing companies, Jordan