From Competitive Pressure to Strategic Payoffs: Manufacturing Planning and Control Costing as A Benchmarking Capability

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Abstract

Purpose:
This study examines how organisational and environmental contingencies shape the adoption of manufacturing planning and control costing (MPPC) as a benchmarking-oriented capability and how such capability translates competitive pressure into strategic payoffs in manufacturing firms.

Design/methodology/approach:
Using survey data from 575 senior accounting and production managers and a multi-informant research design, the study employs structural equation modelling to analyse the effects of competition intensity and strategic orientation on MPPC usage and firm competitiveness.

Findings:
Competitive pressure emerges as the strongest driver of MPPC usage, while strategic orientation exhibits a negative association, indicating a strategy–implementation gap. Firms achieve superior competitive outcomes when MPPC techniques are deployed collectively as an integrated benchmarking capability rather than applied in isolation.

Originality/value:
The study advances benchmarking and management accounting research by conceptualising manufacturing planning and control costing as an organisational capability through which firms respond to intense competitive pressure. It demonstrates that competitive advantage arises from the integrated use of benchmarking-oriented planning and control systems rather than from formal strategic orientation alone.

Keywords: Manufacturing planning and control costing; benchmarking capability; strategic orientation; competition intensity; firm competitiveness