

**COST ALLOCATION COMPETENCY AND FIRM PERFORMANCE: EVIDENCE FROM PAPER AND PACKAGING BUSINESSES IN THAILAND**

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**ABSTRACT**

This study aims at investigating the influences of cost allocation competency on the organization of paper and packaging business in Thailand. Cost allocation competency of cost objective, cost driver, cost information and cost goals is hypothesized to become an independent variable of the study. Therefore, 158 paper and packaging businesses in Thailand were chosen as the sample of the study. The results show that cost goal has an important positive impact on cost accuracy, pricing efficiency, and resource management effectiveness. On the other hand, cost driver has a positive impact on resource management effectiveness, but not on cost accuracy and pricing efficiency. Accordingly, chief executives should focus on the cost driver as the heart of the allocation of costs to cost accuracy and costing efficiency, including pricing efficiency, with limited resources to achieve performance. Hence, to achieve more benefits of the aforementioned relationships, future research is needed to collect data from different populations and/or a comparative population in order to increase the level of reliable results, and discussion of the research results is effectively implemented in the study. Theoretical and managerial contributions are explicitly provided. Lastly, the conclusion, suggestions, and directions for future research are included.

Keywords: *Cost Allocation Competency, Firm Performance, Cost Accuracy, Pricing Efficiency, Resources Management Effectiveness, Executive Leadership, Accounting System Quality, Accountant Employee Knowledge, Resource Limitation.*