

Table 2: Measures of the extent of ABC use (independent variables) and organizational performance (dependent variables)

Latent variables (factors) Observed variables (indicators)	Descriptive statistic		CFA FL	EFA		EFA α	Convergent validity		Discriminant validity	
	Mean	SD		FL	CITC		CR	AVE	ASV	MSV
Extent of ABC use (independent variables)										
Cost analysis (CA)						.76	.78	.78	.25	.26
Product costing (PC)	5.26	0.91	.76	.69	.61					
Cost management (CM)	5.08	1.01	.81	.79	.61					
Cost strategy (CS)						.86	.81	.78	.26	.28
Pricing decisions (PD)	4.63	1.15	.90	.90	.81					
Product mix decisions (PMD)	4.39	1.18	.68	.60	.62					
Determine customer profitability (DCP)	4.98	1.18	.76	.70	.68					
Outsourcing decisions (OD)	4.67	1.30	.78	.72	.70					
Cost evaluation (CE)						.77	.71	.79	.27	.28
Budgeting (Bu)	5.02	1.21	.75	.98	.63					
Performance measurement (PM)	4.17	1.13	.83	.55	.63					
Organizational Performance (OP) (dependent variables)										
Financial performance (FP)						.78	.81	.81	.61	.61
Sales(Sa)	5.56	1.04	.89	.75	.65					
Return on assets (ROA)	5.57	0.94	.73	.73	.65					
Operational performance (OPP)						.75	.71	.66	.61	.61
Total costs (TC)	4.60	1.18	.82	.81	.68					
Product/service quality (P/S Q)	4.63	1.18	.75	.61	.58					
Delivery reliability (DR)	4.86	1.05	.50	.50	.44					
Process effectiveness (PEs)	4.40	1.17	.57	.42	.48					

Note: α =Cronbach's alpha; ABC=activity-based costing; ASV=average shared variance; AVE=average variance extracted; CITC=corrected item-total correlation; CFA=confirmatory factor analysis; CR=composite reliability; EFA=exploratory factor analysis; FL=factor loading; MSV=maximum shared variance; SD=standard deviation