

ABSTRACT

The purpose of this study is to examine whether: (a) competition affects the strategy changes, (b) organizational culture affects the strategy changes, (c) strategy changes affect the utilization of management accounting practices, (d) the utilization of management accounting practices affect the company's performance, and (e) strategy changes affect the company's performance.

The population in this study consist of batik industry throughout Indonesia as many as 326 companies. The sample used in this study are batik companies both medium and large scale with total sampel 119. This study uses analysis of causal modeling approach SEM-PLS.

The results showed that increasing competition led to a strategy changes. Moreover, organizational culture found to have influence toward strategy changes. Strategy changes affect the utilization of management accounting practices and there is evidence that strategy changes affect company's performance. Furthermore, there is evidence that the implementation of management accounting practices affect the company's performance.

Keywords: competition, organizational culture, strategy changes, management accounting practices, company's performance