

## *Impact of activity-based management to improve performance from an internal operations perspective*

### *Abstract*

In this research, we study the Activity-Based Costing (ABC) which is considered as an effective accounting system that integrates financial and non-financial information describing the causal relationships between resources, activities and products. The outputs of the activity-based costing system are called Activity-Based Information (ABI), which is used to measure performance and make different decisions in the context of activity-based management (ABM). Activity-based management is a management approach that involves the implementation of several actions resulting from the analysis of the findings of activity-based accounting in two aspects: (1) Strategic ABM, (2) Operational ABM.

According to the model we have proposed in this study, activity-based information can be employed to improve the performance from the internal processes perspective of the Balanced Scorecard (BSC): (1) cost control, (2) quality improvement and (3) time management.

We have selected the pharmaceutical institutions as a field of study and SAIDAL Complex the Algerian state-owned pharmaceutical company as a case study, in which we attempt to develop and analyze the phenomenon using the exploratory approach according to abductive reasoning. The study concludes with a set of findings that prove the active role of activity-based management and its ability to improve company performance from the internal processes perspective.