

## **Traditional Managerial Accounting Techniques and Organizational Performance in Nigeria**

### **Abstract**

Considering the high rate of competitive activities among organizations today, an organization can retain its share in the global market only by good performance. Organization can enhance its performance through motivation, ability, roles and situation. Some scholars are of the opinion that some traditional managerial accounting techniques are still useful for organization's performance. The study therefore seeks to examine the impact of traditional managerial accounting techniques on organizational performance in Nigeria. The study adopted structured questionnaire for data collection. Test of hypotheses was carried out through Covariate analysis (ANCOVA). The study found that some traditional managerial accounting techniques have significant effects on organizational performance in Nigeria. To this end, the study recommends that some traditional managerial accounting techniques can still be adopted for organizational performance in Nigeria. The study concluded that only the most relevant traditional managerial accounting techniques should be adopted for organizational activities.

**Keywords:** Managerial accounting, techniques, Traditional activities, Organization Performance.

## **Introduction**

To remain and compete adequately in this complex and competitive business world, good performances have to be embraced. The success of an organization depends largely on its performances and decision making (Ahmed, 2020). Organizational performances can be achieved through motivation, ability, thrive, role and situation (Bunteng, 2022). The motivation of employee, workforce, leadership roles and system support are the essential factors that aid and propel the force among employees to achieve an organizational performance (Bunteng, 2022). Without appropriate motivation, regular training clarity of purpose and system support, an organization may not actualize its dream (Almatrooshi, Singh, & Farouk, 2016).

In most cases, the success of a business depends largely on the performance of the organization. That is, its ability to adequately adopt strategies to attain organizational objective (Yadav, & Kumar, 2017). **Organizational performance depends** on the skill and level of expertise of the elements **involves** in the activities of the organization. The techniques **adopted** by management, motivation and commitment of employees are considered very essential in the performance of an organization. Managerial accounting is a body of proficient knowledge that consists of certain decision-making techniques inferred from financial accounting, management theory and practices (Sheffrin, 2003).

Managerial accounting techniques are skillfulness and practical methods applied by management to make necessary decisions and to appraise results (Steven, 2020). The major task of management is to make decisions that will actualize the dream of an organization (Akhilesh, 2021). Making good decisions depends on the knowledge, skills and ability of the management accountant. The management accountant's ability to feed management is enhanced by his knowledge of managerial accounting particularly the use of managerial accounting techniques (Sullivan & Sheffrin, 2003).

## **Statement of the Problem**

Business is considered very essential in any organization. To breakeven and subsequently making profits **require** good decision making as the decision made by the business make or fail it. For a business to triumph, it **requires** logical thinking

and application of quality managerial accounting techniques. In most of businesses organization in Nigeria today, some of the businesses still adopt traditional managerial accounting techniques despite the emerging managerial accounting techniques. That will enhance business value. The effect of this is that such business may not remain in the market. As a result the benefits of such business to itself and that of the environment it operates are taken away.

Scholars have been discussing how managerial accounting techniques affect organizational decision making in Nigeria. Such scholars include but not limited to: Ardiansyah, Elizabeth, Wilson (2017); Ekbatani and Sanggeladji (2008); Ireland and Miller (2004); Khurram, and Zahid (2014); Mark and David 2014 and Phaithun (2018) Most of the researchers concluded that traditional managerial accounting techniques are still applied in decision making in organizational activities in Nigeria. The conclusion of the researchers is confusing because trending managerial accounting techniques are available for better organizational performance in Nigeria. It is on this ground that the study seeks to investigate why traditional managerial accounting techniques are still applying in decision making in organizational performance in Nigeria.

### **Research Questions**

Arising from the statement of the problem are the following pertinent research questions:

- i. Are traditional managerial accounting techniques still relevant in organizational performance in Nigeria?
- ii. Are traditional managerial accounting techniques significantly impact on organizational performance in Nigeria?

### **Objectives of the Study**

The broad objective of the study is to examine the impact of managerial accounting techniques on organizational performance in Nigeria. The specific objectives are to:

- i. Investigate if traditional managerial accounting techniques are still relevant in organizational performance in Nigeria.
- ii. verify if traditional managerial accounting techniques have significant impact on organizational performance in Nigeria

### **Research Hypotheses**

- i.  $H_{01}$ : Traditional managerial accounting techniques are not relevant in organizational performance in Nigeria.
- ii.  $H_{02}$ : Traditional managerial accounting has no significant impact on organizational performance in Nigeria.

### **Scope of the Study**

The study seeks to examine the impact of managerial accounting techniques on organizational performance in Nigeria. However, the study is limited to

traditional managerial accounting techniques. The population of the study is two hundred (200) respondents ranging from Accountants, Auditors, Practitioners, auditors and scholars from various tertiary institutions in Ondo State, Nigeria. The justification from selecting Ondo State out of the thirty-six (36) states in Nigeria is **because of** paucity of research on the topic under reference in the State.

### **Significance of the Study**

The outcome of the study shall be significant to:

- i. Practitioners and Accountants: Practitioners and Accountant will be guided on the need to apply some of the relevant traditional managerial accounting techniques like activity based costing for organizational decision making in Nigeria.
- ii. Scholars: The scholars will also be guided either to recommend some of the relevant traditional managerial accounting techniques for organizational decision making or to advocate for trending managerial accounting techniques completely.

### **Literature Review**

Literature review in the study discussed conceptual **issues** theories and empirical issues relating to the study

#### **Conceptual Issues**

**Conceptual issues comprising Managerial accounting, Managerial accounting techniques and organizational performance**

##### **Managerial Accounting**

Managerial accounting could be described as an aspect of accounting that provides economic and financial information for its users. This is done by identifying measuring, aggregating, study, setting, reading, and put across information that aids executives in reaching organizational objectives. Information provided by managerial accounting is used to guide management before embarking on any organizational decision making (Sanjay, 2020).

##### **Management Accounting Technique**

Management accounting techniques are adept and pragmatic methods adopts by management to make better decisions and to appraise results of an organization. The techniques include (Scott, Leritz & Mumford, 2004). Managerial accounting techniques include:

##### **Break-Even Sales**

Business is either successful or fail. In most cases, some business is neither fail nor successful. When business fall under the later, it is refers to as break-even sales. It is the sales value at which a company earns no loss or profit. It means that the break-even sale is the naira amount of revenue that exactly covers the fixed and the variable expenses of a business (Madhuri, 2022).

### **Marginal costing**

Marginal costing is regarded as the additional unit of output cost. This is used to determine the additional unit of output cost. It is used to determine the optimal production quantity for a company. It costs the least amount to produce additional units. It can be calculated by dividing the change in manufacturing costs by the change in the quantity produced. **Its** principles are used for internal decision making purposes (Ardiansyah, Elizabeth & Wilson, 2017). The purpose of marginal costing is to determine what contribution is been generated. That is sales less variable costs (Velmurugan, 2012),

### **Variance Analysis**

Variance Analysis is the difference between budgeted and actual financial performance of a business. The deviation serves as a ground for an improvement area of the business (David, Caro & Maria 2001). Variance analysis can be seen as a major tool for the discovering the actual cause of variation in the standard and actual. It helps to realize why there is a wave in the standard and suggest what can be done to minimize the occurrence (Dandago & Adah, 2013).

The reasons for variances in budgeting could be attributed to: (i) Change in market conditions. When there is a change in market condition, definitely, the standard budgeting practices would not be realistic. For an instance, when there is short supply of raw materials, this can cause hike in prices by the suppliers. (ii) Assumption. Budgeting standards at times may be high-minded. That is output of a machine may be wrongly assumed. (iii) Service delivery. At times, service delivery may not be achieved. Planning may have it as six hour working day, however, actual may only allow four hours per day (Sanjay, 2020).

### **Product Costing**

Product costs are referred to those costs that incurred to manufacture a product or service by business organization (Varshney & Maheshwari, 2010). Will (2019) argue that “product costing is the accounting procedure of ascertaining business expenses”. Velmurugan (2012) identified the cost to include: Raw material, wages, production, transportation and stocking. According to the

scholar, “product costing is used by companies to plan business strategies and developing promotional campaigns”.

### **Product Profitability Analysis**

For a business to sustain its activities, profitability is very essential. Purchasing of raw materials, processing of the materials, transportation and stocking is a function of profitability. Profit is the left over after catering for the expenses of a product. Product profitability analysis is used to know where to improve on profit margins of products (Ford& Gioia, 2000). When company’s products profitability alongside with the gross profits is analyzed, it gives a better understanding of the company's revenue. With the aid of product profitability analysis, companies can gain more revenue if profitability, production costs, cash flow and pricing for each individual product are monitored (Ajay, 2020).

### **Return on Investment**

As mentioned earlier in this study, profitability is very crucial to any business. To measure your profitability, you have to employ Return on investment. Return on investment is a measure that assists business to understand its profitability. It compares how much a business paid for an investment to how much it derives in order to determine efficiency. To calculate return on investment, you only need to divide the sum of money you derived from the business by the cost of the investment and then multiply it by 100. You represent the result as a percentage (Akhilesh, 2021).

### **Organizational Performance**

Organizational performance can be described as achieving the objectives of an organization. To achieve such objectives depends **on the** skills, training of employees and the ability of management to motivate workers to enable them put in their best toward the achieving of the objectives of the organization (Bunteng, 2020).

### **Factors influencing Organizational Performance:**

#### **Employee**

Employees are considered as an integral part of the organization that form a team to work together in order to achieve the goals of the organization. For an organization to be successful, employees are considered very important. They are the teams that perform various activities to obtain the organizational aim (Almatrooshi, Singh, & Farouk, 2016).

#### **Training**

Training is another factor that affects organizational performance. To achieve organizational performance, both management and employees must be on the right track. To achieve this, there must be regular and adequate training for the employees. Training could be in-training, training on the job or training outside the

job. The more the employees are being trained, the better for the organization (Achim, Dragolea, & Balan, 2013).

### **Motivation**

Motivation of employee is considered very important in the attainment of organizational performance. Without the necessary motivation of the employees in an organization, such organization may find performance very difficult. Motivation can come in form of cash, rewards, promotion and incentives (Achim, Dragolea, & Balan, 2013).

### **Role**

Management role in an organizational performance is very essential. The policy and strategy adopted by management in the performance of an organization is very important. Management must be proactive in decision making. The policy of management must be to the best interest of the organization. Communication gap must be avoided. Line of communication must be well spelt out. Line of authority within the organization must be cleared (Madhuri, 2022).

### **Theories related to the study**

#### **Agency Theory**

Nelson, (2010) stressed that “agency theory assumes that there is a contractual relationship between members of a firm. It recognizes the existence of two groups. That is principal and agent. The principals will assign decision making authority to the agent and expect the agent to perform certain functions in return for a reward. The principal/agent relationship can exist in any organization and usually starts from the shareholder/director and ends with the supervisor. In an organization setting, which involves doubtfulness and technical information, the agent’s actions may not satisfy the interests of the principal. The theory believes that individuals are assumed to be rational and to have limitless computational ability.” Out of the theories, this study adopts contingency theory based on its **relevance** to the study.

#### **Contingency theory**

According to Michele (2002), contingency theory is "a theoretical view of organizational behaviour that stresses how contingent elements such as technology and the task environment affects the pattern and operation of an organizations. The theory represents a unification of organizational theory and sociological functionalist view of an organization. Through the blend of organizational decision-making and sociological functionalist concerns, contingency theory assimilate and take on the perspective of vital organizational procedures such as decision-making and control. Traditionally, management accounting research employ contingency theory to reflect and promote the belief that decision-making should be rational. The managerial accounting information use by managers serves

as a quantitative terminology of organizational goals. In the recent, accounting researchers have attempted to broadening the contingency contention to cover the relationship between firms' strategies and the pattern of their control systems. Despite the fact that contingency theory has an overall wide influence on management accounting research, it is criticized for representing a deterministic, ahistorical view of organizations which provides limited insight as to the intercede procedures of organizations

### **Empirical Review**

Khurram, Sohail, Muhammad and Zahid (2014) carried out a research work on management accounting practices and its level of usage in service sectors of Nigeria. The researchers obtained data through questionnaire. Their data were analyzed with descriptive statistics. In their findings, it was implied that traditional managerial accounting techniques were more applied in business operations in Nigeria.

Peter (2014) examined the impacts of managerial accounting practices on financial performance of manufacturing companies in Nigeria. Peter (2014) obtained data through stratified random sampling method. The data were analyzed by Statistical Package for Social Sciences (SPSS). The finding of the research work displayed that most decision making in managerial accounting practices in Kenya favour the traditional managerial techniques.

Angela (2015) embarked on a research work on management accounting practices in the context of service organizations in Nigeria. Cross sectional survey was applied by the researcher to gather data. Data gathered were analyzed by quadripartite framework. The research work found that service organizations in Nigeria still rely on traditional managerial techniques in the performance of the service organizations.

Ardiansyah, Elizabeth and Wilson (2017) examined factors that may affect the adoption of emerging management accounting techniques in Nigeria. The researchers made use of questionnaire to gather data. The data gathered by them were analyzed by regression analysis. The outcome of their research work indicated that the adoption of modern managerial accounting techniques may significantly affect the operations of corporate performance in the country.

Phaithun (2018) studied managerial accounting practices of Small Medium Enterprises (SMEs) in Nigeria. The researcher obtained data through questionnaire. The data obtained were analyzed by descriptive statistics. The result of the work exhibited that traditional management accounting techniques still in use in Nigeria.

**Methodology:** The study applied survey research design. Survey research was used to obtain information from respondents concerning their views on traditional managerial accounting techniques and organizational decision making in Nigeria.

The population of the study is 200 hundred respondents comprising of Practitioners, Accountants, Auditors, Audi firms and scholars from various tertiary institutions in Nigeria. The study adopted stratified random sampling technique in selecting the respondents. The composition of the respondents is as follows:

<b>Group A</b>	<b>No. Sample</b>
Accountant	40
Practitioners	45
Auditors	30
Audit firms	5
<b>Total</b>	<b>120</b>
<b>Group B</b>	<b>No Sample</b>
Senior Lecturers	50
Associate Professors	20
Professors	10
<b>Total</b>	<b>80</b>

### **Research Instrument**

The research instrument used for the study is questionnaire. The instrument was a structured multiple choices to assist the respondents in forming their opinion about managerial accounting techniques and organizational performance in Nigeria.

### **Method of Data Analysis**

The data infusions from the copies of the questionnaire were coded to suit the data analysis technique. The analysis of data in the study is done with the aid of Analysis of Covariance (ANCOVA)

### **Model Specification**

The adopted model developed for the study for the purpose of estimation is as follows:

$$OP = f(TMAT)$$

$$TMAT = a_0 + a_1 TMAT + \mathbf{U}$$

Where:

OP = Organizational Performance

TMAT = Traditional Managerial Accounting Techniques

U = Stochastic Error Term

$a_0 a_1$  = Regression Coefficients.

### **Multiple Regression and Analysis of Covariance (ANCOVA)**

Multiple regressions are an extension of simple regression from one to several quantitative explanatory variables. It involves more than one independent variable and the curves obtained are not only used to make predictions rather for the purposes of optimization. The structural model is of the form.

$$E(Y/x_1; x_2; x_3) = \beta_0 + \beta_1 x_1$$

i.e. the expected value of  $Y$  (the outcome) given the values of the explanatory variables  $x_1$  through  $x_3$ .  $\beta$ 's are fixed (but unknown) constants. (Pedhazur, 2017).

### Data Analysis

**Table 1: Operationalization of Variables**

No	Variables	Code	Meaning	Measurement	Apriori Sign	Sources
1	organizational performance	OP	Organizational performance is the process through which an organization achieve its aim	1) organizational measurement; (2) individual measurement; and (3) societal measurement	$\alpha_0 > 0$	Angela (2015)
2	Traditional Managerial Accounting Techniques	TMAT	Is to analyze, summarize, and record expenses and companies were not seeking expense behavior, drivers, and fluctuations.	process costing, absorption costing, budgeting, and cost profit analysis are basically cost classification, cost allocation, and cost behaviour techniques	$\alpha_1 > 0$	Angela (2015)

**Source: Author Compilation, 2022**

**Table 2:** The frequency distribution of respondents on Relevance of Traditional Management Accounting Techniques and organizational performance

S/N	Relevance of Traditional Management Accounting Techniques and organizational performance	SA	A	U	D	SD
1	Traditional management accounting techniques aid organizational performance in Nigeria	15 (7.7%)	74 (37.9%)	24 (12.3%)	50 (25.6%)	32 (16.4%)
2	Business organizations in Nigeria still apply traditional	26 (5.1%)	159 (81.5%)	10 (13.3%)	- (%)	- (%)

	management accounting techniques for decision making					
3	Some business organizations in Nigeria are to a large extent rely on traditional management accounting techniques in decision making	7 (3.6%)	10 (5.1%)	143 (73.3%)	35 (17.9%)	- (%)
4	Most organizations in Nigeria believe so much in the application of traditional management accounting in decision making	32 (16.4%)	163 (83%)	- (%)	- (%)	- (%)

#### Field Work (2023)

The frequency distribution of respondents through Likert scale format on Relevance of Traditional Management Accounting Techniques and organizational performance in Nigeria is presented above. From the table (2), 7.7% of the respondents strongly agreed that traditional managerial accounting techniques aid organizational performance in Nigeria, while (74) 37.9% of respondents agreed that traditional management accounting techniques aid organizational performance in Nigeria, also, 26 (5.1%) strongly agreed that Business organizations in Nigeria still apply traditional management accounting techniques for decision making while 159 (81.5%) agreed that Business organizations in Nigeria still apply traditional management accounting techniques for decision making. 7 (3.6%) strongly agreed that Some business organizations in Nigeria are to a large extent rely on traditional management accounting techniques in decision making, while 10 (5.1%) agreed that Some business organizations in Nigeria are to a large extent rely on traditional management accounting techniques in decision making. Also, 32 (16.4%) strongly agreed that Most organizations in Nigeria believe so much in the application of traditional management accounting in decision making, while, 163 (34.8%) agreed Most organizations in Nigeria believe so much in the application of traditional management accounting in decision making. From the compilation of responses on Relevance of Traditional Management Accounting Techniques and organizational performance, 85% of the respondents are with the opinion that Relevance of Traditional Management Accounting Techniques and organizational performance. For this, it could be concluded that Traditional Management Accounting Techniques still relevant in organizational performance.

**Table 3:** Application of traditional managerial accounting techniques on organizational performance in Nigeria

S/N	Application of Traditional Managerial Accounting Techniques on organizational performance in Nigeria	SA	A	U	D	SD
1	Traditional management accounting techniques are more apply than modern management accounting techniques in organizational performance in Nigeria	100 (51.3%)	78 (40%)	8 (4.1%)	9 (4.6%)	- (%)
2	The low cost application of traditional managerial accounting techniques make it still applying in organizational performance in Nigeria	94 (48.2%)	84 (43.1%)	8 (4.1%)	9 (4.6%)	- (%)
3	The easy application of traditional management accounting technique make it more apply in organizational performance in Nigeria	41 (21%)	154 (79%)	- (%)	- (%)	- (%)
4	Unwilling to change make organizations in Nigeria still applying traditional managerial accounting techniques on organizational performance in Nigeria	78 (40%)	93 (47.7%)	16 (8.2%)	6 (4.1%)	- (%)

Field Work (2023)

The frequency distributions of respondents through Likert scale format on the scholars are of the opinion that Application of Traditional Management Accounting Techniques on organizational performance in Nigeria is presented above. From the table 4, 100 (51.3%) of the respondents strongly agreed that Traditional management accounting techniques are still apply in organizational performance in Nigeria, while 78 (40%) of respondents agreed that Traditional management accounting techniques are more apply in o organizational performance in Nigeria, also, 94 (48.2%) strongly agreed that The low cost of the application of traditional management accounting techniques responsible for its application application while 88 (43.1%) agreed that The low cost of the application of traditional management accounting techniques makes it more apply

than any other techniques. 41 (21%) strongly agreed that The easy application of traditional management accounting technique make it more apply than other management accounting techniques in organizational performance in Nigeria, while 154 (35.9%) agreed that The easy application of traditional management accounting technique make it more applied in organizational performance in Nigeria. Also, 78 (40%) strongly agreed that Unwilling to change make organizations in Nigeria to apply traditional management accounting techniques. in organizational decision making in Nigeria, while, 93 (37.7%) agreed The Unwilling to change make organizations in Nigeria to apply traditional management accounting techniques in organizational decision making in Nigeria. From the compilation of responses on views of Application of Traditional Management Accounting Techniques on organizational performance in Nigeria, 80% of the respondents are with the opinion that Application of Traditional Management Accounting Techniques on organizational performance in Nigeria.

**H<sub>01</sub>:** Traditional managerial accounting techniques are not relevant in organizational performance in Nigeria.

**Table 4:**

**Tests of Between-Subjects Effects for Traditional Managerial Accounting Techniques**

Dependent Variable: organizational performance

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	3.815 <sup>a</sup>	6	.636	.597	.732	.019
Intercept	2688.082	1	2688.082	2525.495	.000	.931
TMAT	2.190	3	.730	0.686	.562	.011
TMAT * Education	1.625	3	.542	.509	.677	.008
Error	200.103	188	1.064			
Total	2892.000	195				
Corrected Total	203.918	194				

a. R Squared = .119 (Adjusted R Squared = .103)

There was a no significant difference in mean weight lost  $F(3,188)= 0.686, p=.562$  between the Traditional Managerial Accounting Techniques, whilst adjusting for education level. The partial Eta Squared value indicates the effect Traditional Managerial Accounting Techniques, It can be seen that for Traditional Managerial Accounting Techniques.  $R^2$  i.e. coefficient of determination is of most interest to us.  $R^2$  gives the percentage of variability of the dependent variable which is explained by the explanatory variables.  $R^2$  has a range from 0 to 1.  $R^2$  approaching

1 indicates a better goodness of fit between the dependent and explanatory variables.  $R^2 = .119$  (Adjusted R Squared = 0.103).

After controlling for educational level of practitioners concerning management accounting techniques applied for decision making, there was no significant effect of condition traditional on organizational performance  $F(3, 188) = .509$   $P = .677$ ,  $\eta^2 = 0.008 < 0.05$ . Estimated marginal means was significantly related to organizational performance.  $F(3, 188) = 1.064$ ,  $P = .008$ .

From the results of ANCOVA table 4, the  $R^2$  which is the measure of how much of the variability in the outcome is accounted for by the predictors is 0.119. This suggests that the model accounts for 11.9% of variance in the independent variables. In the F and Sig columns, there is evidence of the effects of one independent variable on the dependent variable when the education was controlled as a covariate: the F value of traditional managerial accounting techniques is 0.686, with not significance of ( $.677 > .05$ ), therefore, traditional managerial accounting techniques has significant effects on organizational performance in spite of educational covariate. The F-value of organisational decision making is 0.686, with a significance of 0.562, greater than 0.05, thus traditional managerial accounting techniques has no significant effect on organizational performance when the effects of education are removed.

**H<sub>02</sub>:** traditional managerial accounting techniques are not more applied in organizational performance in Nigeria.

**Table 5: Tests of Normality for Hypothesis Two**

	application of traditional managerial accounting techniques	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
		Statistic	Df	Sig.	Statistic	Df	Sig.
organizational performance	SD	.266	9	.066	.794	9	.217
	D	.251	8	.148	.780	8	.917
	U	.425	13	.000	.685	13	.087
	A	.318	115	.000	.811	115	.065
	SA	.371	50	.000	.757	50	.076

a. Lilliefors Significance Correction

Shapiro-Wilk test indicated that other managerial accounting techniques test was normally distributed alongside with organizational performance in the group,  $W(9) = .794$ ,  $p = .217$ ,  $(8) = .780$ ,  $p = .917$ ,  $(13) = .685$ ,  $p = .087$ ,  $(115) = .811$ ,  $p = .065$ , and  $(50) = .757$ ,  $p = .076$  Shapiro-Wilk test indicated that application of other managerial accounting techniques was normally distributed along all response of Likert scale format. Because p-value(s) are greater than 0.05 level of significance.

**Table 6: Levene's Test of Equality of Error Variances**

Dependent Variable: organizational performance

F	df1	df2	Sig.
2.166	4	190	.074

Levene's Test indicated that the assumption of homogeneity of variance was not violated,  $F(4, 190) = 2.222$ ,  $p = 0.068$ . As  $P > 0.05$ , equal variances can be assumed.  $W < F_{\alpha, k-1, N-k}$  it implies that there is homogeneity of variances. Tests the null hypothesis that the error variance of the dependent variable is equal across groups. Homogeneity (equality) of variance. The variances (SD squared) should be similar for all the groups. As long as p-Value is greater than 0.05 (5%) level of significance, therefore,  $(0.068 > 0.05)$ . the residual of the dependent variable (organizational performance) is equal at all level.

**Table 7: Correlations Test between (AMMAT) Variable and Covariate Variable (Edu)**

		application of Traditional managerial accounting techniques	Educational Qualification
Application of Traditional Managerial Accounting Techniques	Pearson Correlation	1	<b>.141*</b>
	Sig. (2-tailed)		.050
	N	195	195
Educational Qualification	Pearson Correlation	<b>.141*</b>	1
	Sig. (2-tailed)	.050	
	N	195	195

\*. Correlation is significant at the 0.05 level (2-tailed).

Variables should not be highly correlated (i.e.  $R > 0.8$ ). The correlation of variable was less than 0.8, the relationship between views of the practitioners and scholars (VPS) and Educational qualification of Practitioners was  $(r < 0.8)$   $0.141^{**} < 0.8$  for this hypothesis. The higher correlation value negates the freedom of independent from covariate variable.

**Table 8: Tests of Between-Subjects Effects for Application of Traditional Managerial Accounting Techniques**

Dependent Variable: organizational performance

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Source	Type III Sum of Squares	Df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	1.879 <sup>a</sup>	7	.268	.248	.972	.009
Intercept	17.383	1	17.383	16.089	.000	.079
AMMAT	1.489	2	.745	.689	.003	.007
AMMAT * Education	1.441	3	.480	.445	.021	.007
Error	202.039	187	1.080			
Total	2892.000	195				
Corrected Total	203.918	194				

a. R Squared = .209 (Adjusted R Squared = .190)

The significant difference in mean weight lost  $F(2,187) = .689, p = .003$  Application of Traditional Managerial Accounting Techniques and organizational performance after adjusting educational covariate. The partial Eta Squared value indicates the views of the Practitioners and Scholar in the field, it can be seen that Application of Traditional Managerial Accounting Techniques concerning managerial accounting is significance.  $R^2$  (i.e. coefficient of determination) is of most interest, it gives the percentage of variability of the dependent variable which is explained by the explanatory variables.  $R^2$  has a range from 0 to 1.  $R^2$  approaching 1 indicates a better goodness of fit between the dependent and explanatory variables.  $R^2 = .209$  (Adjusted R Squared = 0.190).

After controlling for educational level of practitioners and scholars concerning management accounting techniques applied for decision making, there was significant effect of Application of Traditional Managerial Accounting Techniques,  $F(3, 187) = .445, P = .021, \eta^2 = 0.007 < 0.05$ . Estimated marginal means was significantly related to organizational performance.

The variance in the dependent variable pose by 20.9% was robust. There is evidence of the effects of one independent variable on the dependent variable when the education was controlled as a covariate; therefore, application of modern managerial accounting techniques has significant effects on organizational performance in spite of educational covariate. The F-value of organizational performance is .445, with a significance of .021, less than 0.05, (.021 < 0.05) thus Application of Traditional Managerial Accounting Techniques has significant effect on organizational performance when the effects of education are removed.

On the hypothesis one, traditional managerial accounting techniques are still relevant in organizational performance in Nigeria, after controlling for educational level of practitioners and scholars concerning management accounting techniques applied for decision making, there was no significant effect of condition traditional on decision making,  $F(3, 188) = .509, P = .677, \eta^2 = 0.008 < 0.05$ . Estimated

marginal means was significantly related to organisational decision making.  $F(3, 188) = 1.064$ ,  $P = .008$ . From the results of ANCOVA table 4, the  $R^2$  which is the measure of how much of the variability in the outcome is accounted for by the predictors is 0.119. This suggests that the model accounts for 11.9% of variance in the independent variables. In the F and Sig columns, there is evidence of the effects of independent variable on the dependent variable when the education was controlled as a covariate: the F-value of traditional managerial accounting techniques is 0.686, with not significance of ( $.677 > .05$ ), therefore, traditional managerial accounting techniques has significant effects on organizational performance in spite of educational covariate, greater than 0.05, thus traditional managerial accounting techniques has no significant effect on organizational performance when the effects of education are removed.

For hypothesis two, traditional managerial accounting techniques are more applied in organizational decision making in Nigeria. The significant difference in mean weight lost  $F(2, 187) = .689$ ,  $p = .003$  Application of Traditional Managerial Accounting Techniques and organizational performance after adjusting educational covariate. The partial Eta Squared value indicates the views of the Practitioners and Scholar in the field, it can be seen that application of managerial accounting techniques concerning managerial accounting is significance.  $R^2$  (i.e. coefficient of determination) is of most interest, it gives the percentage of variability of the dependent variable which is explained by the explanatory variables.  $R^2$  has a range from 0 to 1.  $R^2$  approaching 1 indicates a better goodness of fit between the dependent and explanatory variables.  $R^2 = .209$  (Adjusted R Squared = 0.190).

After controlling for educational level of practitioners and scholars concerning management accounting techniques applied for decision making, there was significant effect of Application of Traditional Managerial Accounting Techniques,  $F(3, 187) = .445$   $P = .021$ ,  $\eta^2 = 0.007 < 0.05$ . Estimated marginal means was significantly related to organizational performance. The variance in the dependent variable poses by 20.9%. There is evidence of the effects of one independent variable on the dependent variable when the education was controlled as a covariate; therefore, Application of Traditional Managerial Accounting Techniques has significant effects on organizational performance in spite of educational covariate. The F-value of organisational decision making is .445, with a significance of .021, less than 0.05, ( $.021 < 0.05$ ) thus Application of Traditional Managerial Accounting Techniques has significant effect on organizational performance. This is similar to the finding of Leite et al.'s (2015).

The usefulness of management accounting is identified in the report with its areas of application either in traditional. Without managerial accounting techniques, the organisation cannot attain its desired targets in planning, forecasting, performance tracking and project analysis. It is identified in the report that management

accounting is carried out with the application of several techniques and managers choose the required technique as per the organizational requirements, (Kiradoo, 2010). For example, for controlling purpose, budgeting, standard costing, historical costing, and marginal costing are important while for the analysis of funds and cash, fund flow and cash flow reports are used. The Ratio analysis is imperative in financial planning and evaluation of financial statements to ensure future financial performance gets improved.

it was revealed that organisations that observed management accounting techniques both traditional and modern method base on knowledge acquire pave way for organisation performance at all level and this be manifested in all dimension; (budget and budgetary control, standard and standard costing and lifecycle costing) either on a part of traditional or modern view point, research has showed high quality of decision making from the two part (traditional). Most large firms that fully invested in management accounting techniques were able to mitigate waste and ill-decision. The findings of the study found that management accounting techniques had a significant positive relationship with decision making indicators in both view and practice. In view of this, the organization must ensure that an effective management accounting techniques which contributes to staff morale, skills and knowledge is established; and to ensure that decisions are made at the appropriate level of management and the appropriate time is affected. They should ensure that the internal audit department in the organization is headed and managed by qualified personnel. The covariate adjustment co-efficient for all measures of decision making and effective management accounting techniques are positively significant; meaning that all the qualitative characteristics and level of education of practitioners and scholars are relevant in the field and a better measurement of decision making for organisations should be ultimately create value for the management and organizations.

### **Conclusion**

From the findings of the study which implied that some of the traditional managerial accounting techniques are still relevant to organizational performance, the study concluded that some of the most relevant traditional managerial accounting techniques can still be applied in organizational performance in Nigeria.

### **Recommendations**

The study recommends that:

- i. **Both** managers and employee of any organisation should be constantly updated and well-grounded on Cost and Management Accounting Techniques (CMAT) and principles in order to improve their knowledge and abilities in application of costing and

management practices and to keep them updated on the contemporary issues.

- ii. Maintaining a high level of managerial accounting practices will open more doors of finance aids for organisation and this will advantage to raise in realistic decision making process enhances the overall organizational performance.

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