Strategic Management Accounting and Financial Statement Quality of Quoted Manufacturing Companies in Nigeria

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DOI: 10.56201/wjfir.v6.no2.2022.pg27.40

ABSTRACT
The study determined the relationship between strategic management accounting and financial statement quality of quoted manufacturing companies in Nigeria. Strategic management accounting was the independent variable, while reliability of financial statements was adopted as the measure of financial statement quality. The study was guided by one specific objective, one research question and one research hypothesis. The study was anchored on Contingency theory and adopted the survey research design. The population of the study consisted of one hundred and seventy-seven (177) manufacturing companies Nigeria that are listed on the Nigerian Stock Exchange (NSE). The sample size consisted of one hundred and twenty-three (123) employees and managers of the selected manufacturing companiesin Nigeria. The sample size of this study was determined by Taro Yamane's formula. Simple random sampling technique was used to select the respondents. Structured questionnaire was the data collection instrument used. Frequencies, simple percentages and weighted mean were used to analyse the demographic data of the respondents and other questionnaire items while Pearson Product Moment Correlation was used to test the hypotheses formulated at 5% level of significance. Statistical Package for Social Sciences (SPSS) was used to run the data analysis. There is a positive and significant relationship between value chain analysis and reliability of financial statements of quoted manufacturing companies in Nigeria, there is a positive and significant relationship between value chain analysis and timeliness of financial statements of quoted manufacturing companies in Nigeria, there is a positive and significant relationship between balance scorecard and reliability of financial statements of quoted manufacturing companies in Nigeria and lastly, there is a positive and significant relationship between balance scorecard and timeliness of financial statements of quoted manufacturing companies in Nigeria. The study concluded that strategic management accounting has a significant positive relationship with financial statement quality of quoted manufacturing companies in Nigeria. The study recommended among others that manufacturing companies should put in place appropriate measures to adopt strategic management accounting so as to ensure efficient and realistic decision making process that will bring about improved performance.

Key Words: *Strategic Management Accounting, Financial Statement Quality, Value Chain, Balance Scorecard, Timeliness and Reliability of financial statement*

INTRODUCTION

The business environment is changing globally. The swift changing of business environment recently into global, competitive and turbulence business environment gives significant impact to how people are doing their business in any type of corporation, either manufacturing or non-manufacturing company, either big, medium or small company, and either profit oriented or non-profit oriented company. For a company to be able to compete in the modern business environment however, there must be good practices of management accounting and these practices have to assure that information provided to managers are relevant and useful in doing their jobs (Emiaso &Egbunike, 2018).

Furthermore, there has been a tremendous change in the business environment in both developing and developed economies while increase in global competition as a result of advancement in technology has had an effect on shortening the lifecycle of products. All these developments have forced businesses to reflect on the changing circumstances and the need to approach management accounting and decision making in a different way than they had done in the past (Oladosu, 2017). According to Mahfar and Omar (2014) management accounting form an integral part of the management process in an organization as it provides essential information to the business in its planning, evaluating, controlling and decision making process. It is through management accounting that the managers get the tools for performing their functions. Therefore, management accounting practices are organizational information systems that provide an organization with relevant information to add value to its customers and organisations (Nuhu, Baird & Appuhami, 2016).

However, financial statement quality were geared towards providing information and guidelines to aid managers in internal decision making in a firm and as such, the focus of the management accounting systems has also tended to be internally orientated (Ogundajo & Nyikyaa, 2021). In the late 1980s, scholars and academics noticed that the traditional management accounting was not adjusting to changes in the modern business environment, hence, fell short of its basic function as an aid to managers in formulating policies and decision making. In order to fulfil the need to enhance the quality of management accounting information for managers, it became necessary to focus widely more on the external environment of the firm and thus the concept of strategic management accounting emerged (Egbunike, Egolum & Agwaramgbo, 2015).

Strategic management accounting therefore came into being as a result of a quest for a substitute to the traditional management accounting in providing more relevant and reliable information for competitive advantage. Strategic management accounting involves the provision of information, which is externally orientated, market-driven and customer-focused and provides managers with a range of techniques and tools to facilitate strategically (Emiaso & Egbunike, 2018). Simmonds (2006) described strategic management accounting as the collection of management accounting information about a business and its competitors for use in developing and monitoring the business strategy. Strategic management accounting therefore permits a firm to make more pertinent and precise information to efficiently design its competitive strategies for competitive advantage in the industry (Ojua, 2016).

In other words, strategic management accounting is a set of accounting tools that provide accurate and timely information to various aspects of an enterprise's decision making needs, including strategic costing, target costing, competitors accounting, consumer accounting, strategic decision, planning, control and performance management, and evaluation (Alsoboa, Nawaiseh, Karaki & Khattab, 2015). Strategic management accounting techniques dimensions, among others, are activity based costing, value chain analysis, balance score card, benchmarking, competitor cost assessment, environmental management accounting, life cycle costing, quality costing, strategic costing, target costing, kaizen costing, value chain costing, strategic pricing, and customer accounting (Ramljak & Rogosic, 2012).

In Nigeria, strategic management accounting tools are believed to influence financial statement quality and contribute to financial performance. Specifically, Oladosu (2017) stated that the search for strategic management accounting tools, especially in manufacturing companies in Nigeria, is at the forefront for development of innovative competitive strategies that may enable modern organization to remain profitable and competitive. In support of this, Ahmad and Zabri (2013) established that strategic management accounting practices play important roles in ensuring the efficiency in the management of the companies and may also improve overall performance. In furtherance, strategic management accounting also helps an organization improve financial statement quality in order to survive in the competitive, ever-changing business world, because it provides an important competitive advantage for an organization that guides managerial action, motivates behaviours, supports and creates the cultural values necessary to achieve an organization's strategic objectives and reduce the likelihood of business failure (Gichaaga, 2013). In line with the foregoing, this study is therefore aimed in determining the relationship between strategic management accounting and financial statement quality of quoted manufacturing companies in Nigeria.

Statement of the Problem

Companies more than ever before are facing a lot of challenges and hence are adopting aggressive and dynamic methods in identifying strategies that will ensure profitable existence. Business innovations, advancement in technology and the changing demand of customers have brought more competition in business environment. The competitive nature of contemporary business atmosphere has forced corporate managers to cultivate business techniques and strategies that would guide companies towards the maximization of profits. The practice of management accounting in many manufacturing companies is still very poor and inadequate in reaching out to potential customers, suppliers; and other competitors. The high failure rate of many manufacturing companies in Nigeria has partly been attributed to the failure rate of these companies to apply strategic management accounting which consequently affect their performance negatively and poor financial reporting quality. Most of the research done on strategic management accounting were of foreign origin and therefore lacks local contents. Hence, this creates a gap and as a result, this study aims to bridge this gap by investigating the relationship between strategic management accounting on financial statement quality of quoted manufacturing companies in Nigeria,

Research Questions

The research question that guides this study is stated as follow:

1. What is the relationship between strategic management accounting and the reliability of financial statements quality of quoted manufacturing companies in Nigeria?

LITERATURE REVIEW AND HYPOTHESIS

Theoretical Underpinning

This study is anchored on the contingency theory. The contingency theory was propounded by the Australian psychologist Fred Edward Fiedler in the year 1964. Contingency theory is premised on the assumption that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system. Otley (1980) applied Contingency theory to management accounting practices and explained that there is no single general standard accounting practice that can be applied to all organisations. In essence, each organization will have its own management accounting practices.

The theory looks at certain influential factors that will assist management to decide on an appropriate management accounting practice. These factors can either be technological changes or the infrastructure of an organization. For example, a manufacturing food company may want to change the technology used to a more modern hygienic and efficient way of handling, processing and packaging its food. It may then consider installing a computer based system that mass-produces its products. However, the type of qualified personnel that is required to operate such highly complex equipment will influence the type of management accounting practices selected and production costs. Donaldson (2001) defined contingency as any variable that moderates the effect of organizational characteristics on organizational performance.

Therefore the contingency theory is paramount to explain how management accounting practices can influence the business performance of informal, small, medium and micro enterprises as well as manufacturing firms. Dugdale (1994) highlighted which management accounting practices are widely used in manufacturing organisations. Those that were highly favoured were reliability of financial statements for controlling costs and performance evaluation. His findings revealed that reliability of financial statements plays an important role in the managing and directing process of the organization. This tells managers what costs to expect over the next budgeted period and also gives an indication when the company might expect to go through a seasonal change and the impact it will have on the company's cash flows and revenues. Perhaps this is the main reason why this particular management accounting practice is highly rated over many other practices.

Strategic Management Accounting

The Institute of Management Accountant (IMA, 2008) defined management accounting as a field that deals with partnering in management decision making, devising planning, performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization's strategy (Yohannes, 2018). The Chartered institute of management accountant (CIMA, 2005) defined management accounting as a joint part of management which deals with the identification, generation, presentation, interpretation and use of important information to communicate strategic decisions, formulate business strategy, determine capital structure and fund that structure, design reward strategies for executives and shareholders, inform operational decisions, control operations and ensure the efficient use of resources, measure and report financial and nonfinancial performance to management and other stakeholders, safeguard tangible and intangible assets, implement corporate governance procedures, risk management and internal controls (Petera & Šoljaková, 2020).

However, there is no generally accepted definition of Strategic Management Accounting. Accountants and researchers are yet to come to a consensus as regards the contents and scope of strategic management accounting hence there is no comprehensive framework available on strategic management accounting. Some attempts have been made to define strategic management accounting. One of the earliest definitions was given by Simmonds (1986) who is viewed as the father of management accounting. Simmonds views strategic management accounting as the provision and analysis of management accounting data about a business and its competitors which is of use in the development and monitoring of the strategy of that business. Bromwich and Bhimani (2009) have given the following definition of strategic management accounting: "provision and analysis of financial information on the firm's product markets and competitors' costs and cost structures and the monitoring of the enterprise's strategies and those of its competitors in these markets over a number of periods". Strategic management accounting therefore came into being as a result of a quest for a substitute to the traditional management accounting in providing more relevant and reliable information for competitive advantage. Strategic management accounting involves the provision of information, which is externally orientated, market-driven and customer-focused and provides managers with a range of techniques and tools to facilitate strategically (Emiaso & Egbunike, 2018).

Strategic management accounting is the collection of management accounting information about a business and its competitors for use in developing and monitoring the business strategy. Strategic management accounting therefore permits a firm to make more pertinent and precise information to efficiently design its competitive strategies for competitive advantage in the industry (Ojua, 2016; Nawaiseh, Karaki & Khattab, 2015). Strategic management accounting techniques, among others, are activity based costing, value chain analysis, balance score card, benchmarking, competitor cost assessment, environmental management accounting, life cycle costing, quality costing, strategic costing, target costing, kaizen costing, value chain costing, strategic pricing, and customer accounting (Ramljak & Rogosic, 2012). This study adopts value chain analysis and balance score card as the dimensions of strategic management accounting (independent variable). These dimensions are discussed below:

Financial Statement Quality

Financial statement is no longer perceived or seen as a mere recording of transactions or an ordinary bookkeeping activity. It is now seen as a crucial tool in managing a company under good corporate governance principles (Uwuigbe, Agba, Jimoh & Olubukunola, 2017). Financial statements according to Nassar, Uwuigbe, Uwuigbe & Abuwa (2014) can be described as a systematic description of the financial performance and position of any entity; it actually provides information about the entity to a comprehensive range of users in order to make quality economic and financial decisions. Financial statements present the performance of management as stewards of resources trusted to them. This concept has received significant interest from present and potential investors as well as other major stakeholders (Okereke, 2008). One of the most important functions of corporate governance is to ensure the quality of the financial reporting process (Cohen, Krishnamoorthy & Wright, 2004). Sloan (2001) argued that financial information is the first source of independent communication on managerial performance. Obona & Ebimobowei (2012) opined that financial reporting forms the basis for economic decision making by various stakeholders and that the financial reports produced by the accountant should be based on certain fundamental qualities for various stakeholders to understand the content of the report. Brownlee, Ferris and Haskins (1990) posited that the quality of corporate financial statements should be judged against a changing standard that has evolved over time in relation to the information needs, expectations and demands of financial statement users. This study adopts reliability of financial statements as the measure of financial statement quality (dependent variable):

Reliability of Financial Statements

Reliability is another critical dimension of financial statement quality. In financial statements, information must have the quality of reliability in order to be useful. This quality is achieved when information, which users depend upon, is free from bias and material mistakes. Reliability is analyzed based on the qualities of faithful, verifiable, and neutral information (Cheung, Evans & Wright, 2010). The term reliability in relation to financial statement is an important qualitative attribute of accounting information. This term is vital and may influence whether the information is useful to those who read financial report or otherwise. The reliability of audited corporate annual financial statement is considered to be crucial and an essential factor affecting the usefulness of information made available to various users. The accounting profession has recognized that the reliability of reports is a significant characteristic of financial accounting information and for regulatory and professional agencies. Reliability concept is a quality of information that assures decision makers that the information represented in the financial statements captures the actual conditions and events of the reporting entity. The FASB was the first standard setter to define the term reliability. In terms of the FASB Concepts Statement No. 2 (FASB, 1980) the reliability of a measure rests on the faithfulness with which it represents what it purports to present (representation faithfulness), coupled with an assurance for the user, which comes through verification, that it has that representational quality (verifiability). In Contrast, the IASB Framework states that information has the quality of reliability when it is free from material error and bias and can be depended upon by users to represent faithfully which it either purports to represent or could reasonably be expected to represent. In the IASB Framework, five characteristics are included under the concept of reliability: faithful representation, substance over form, neutrality, prudence and completeness.

Empirical Review

Ogundajo and Nyikyaa (2021) investigated the effect of management accounting practices on the performance of manufacturing companies in Nigeria. This study adopted a survey research design. The target population for this study was 20 manufacturing companies in Nigeria. Primary data obtained through the administration of structured questionnaires to selected respondents was used. The study targeted four hundred and ninety-nine (499) employees of the account, production, marketing and administrative departments from the 20 selected manufacturing companies adopting purposive sampling technique. Four hundred and twenty-five (425) correctly filled questionnaires were retrieved and used for the analysis, while regression analysis with the aid of SPSS 21.0 was utilized in testing the hypothesis. The result of the Cronbach Alpha test for reliability of the instrument was in the range of 0.702 and 0.869, which implies the instrument is reliable. The results of the regression analysis revealed that total quality management and reliability of financial statements have significant positive effect on market share while cost analysis and performance evaluation have no significant effect on market share. It was obtained that management accounting practice had effect on market share of manufacturing companies in Nigeria. The study concluded that a significant relationship exists between management accounting practice and market share of manufacturing companies in Nigeria. The study recommended that manufacturing companies should consider adopting effective costing technique, proper reliability of financial statements system as well as consistent performance evaluation process so as to increase level of performance.

Lan, Hong and Bich (2021) examined the effect of strategic management accounting on business performance of sugar enterprises in Vietnam. By applying the quantitative data obtained from managers and accountants of the companies, the study provided some evidence supporting the effect of contingent factors on the extent of strategic management accounting usage. The results of the study showed that strategic management accounting has a significant positive effect on business performance of the companies in Vietnam. The study suggested some directions to enhance strategic management accounting usage in the companies and solutions to increase their business performance efficiency.

Adu-Gyamfi, Yusheng and Chipwere (2020) investigated how management accounting practices influenced the performance of Ghana manufacturing firms adopting a quantitative technique. The result of the regression analysis conducted with the aid of SPSS revealed that manufacturing firms in Ghana mostly adopted management accounting practices "costing system, budgetary system, performance evaluation system, strategic management and information for decision making". It was deduced that reliability of financial statements system, strategic management and information system, costing analysis and performance evaluation system are management account practices which positively and significantly impacted on the performance of the firms listed in Ghana. positively influences the performance of manufacturing firms in Ghana.

Kornchai and Khajit (2020) examined the effects of strategic management accounting on firm performance of finance businesses in Thailand. Strategic management accounting comprises of environmental scanning, competitor orientation and forward-looking information. In this study, 175 finance businesses in Thailand were the samples of the study. A mail survey procedure was used for data collection. The hierarchical multiple regression analysis is employed to test the research relationships. First, environmental scanning positively affects operational excellence, organizational effectiveness and firm performance. Secondly, competitor orientation is positively related to managerial efficiency and organizational effectiveness. Thirdly, forward-looking information has a positive influence on operational excellence, managerial efficiency, organizational effectiveness, and firm performance. In addition, operational excellence, managerial efficiency and organizational effectiveness have positive impact on firm performance. Finally, to verify the mediating effects, operational excellence, managerial efficiency and organizational effectiveness were the mediators of the research relationships. This study confirmed that all dimensions of strategic management accounting play a significant role in determining business outcome as being congruent with the theory of resource-based views of the firms. Executives of firms need to provide valuable resources and capabilities to support the strategic management accounting implementation in order to achieve good business outcome in highly competitive environments.

Odia (2019) examined the impact of strategic management accounting (SMA) techniques' usage and strategic choices on the performance of financial institutions in Nigeria. Based on the administration of questionnaire to 156 top management employees of 13 deposit money banks in Benin metropolis in Edo State, the study examined whether strategic management accounting dimensions (17 strategic management accounting techniques usage and the participation of accountants in strategic decision making) and strategic choices (strategic pattern, emergent strategy and market orientation) affect the performance of deposit money banks. The findings from the multiple regression analysis showed that whereas strategic management accounting techniques usage had a significantly negative impact on corporate financial performance, accountant participation in strategic decision making, strategy pattern, deliberate/emergent strategy and market orientation had a significantly positive impact on the performance of the banks. Therefore, the study recommended that management of financial organizations should improve their usage of SMA techniques which is presently low, involve accountants in the strategic decision-making process and employ more emergent and market oriented strategies in order to improve their performance.

Emiaso and Egbunike (2018) examined the relationship between organizational performance of the Nigerian's manufacturing companies and the application of strategic management accounting techniques. The study adopted the survey research design. The population of the study consists of all manufacturing companies in Delta State, Nigeria. The study used simple random sampling. 15 manufacturing companies were randomly selected for the study. Data for the study were obtained through the administration of a self-designed questionnaire to managers or accountants of the sampled firms. Regression and t-test were used to test the hypotheses postulated for the study. The study showed that application of strategic management accounting tools have a positive relationship with organizational performance of companies survey. The study also found a significant difference in effectiveness of decision making between application of strategic management accounting tools and traditional management accounting techniques and concludes that implementation of strategic management accounting practice is necessary to enhance organizational performance of the firm

Mostafa, Abdolrasou and Ramin (2018) investigated the effect of strategic management accounting on decision making of Tehran's metropolitan banks. The statistical population consisted of top 10 Iranian banks located in Tehran. The sample was clustered. The sample size included 100 executives from the managers of the banks' branches. The results showed that strategic management accounting with 99% confidence can significantly have the ability to determine decision-making variance of 22%. Also, there is a significant relationship between customer information, information about competitors and information about the market by making decisions in the banks surveyed in Tehran ($P < 0.01$). Finally, it can be said that the financial success of the organization with the correct decisions under strategic management accounting is not far from reality.

Eugine and Miston (2017) examined the impact of management accounting practices on the business performance of Small and Medium Enterprises in South Africa. The study was positioned within a quantitative research approach and data was collected from 380 SME managers who were selected by means of the probability simple random sampling technique. The Statistical Package for the Social Sciences (SPSS), version 24.0, was used to analyze data. Regression analysis was undertaken in order to check the association between management accounting practices and business performance. The hypothesized relationships in the research model were assessed using multiple regression analysis. Associations between each management accounting practice and business performance were tested and the results showed that management account practices positively influences the business performance of SMEs. Implications: The empirical study provided fruitful implications to academicians by making a significant contribution to the management accounting literature by systematically exploring the influence of management accounting practices (MAPs) on the business performance of SMEs within the Gauteng province of South Africa.

Obara and Nangih (2017) examined the extent to which accounting practices affect the profitability of Oil and Gas companies in Nigeria, particularly those in the upstream sector. The specific objectives were: to determine the effect of accounting practices on Return on Assets (ROA) and Return on Capital Employed (ROCE) of Oil and Gas Companies in Nigeria. The study objectives guided the empirical review. The researchers used stratified sampling design approach. The target population comprised of Oil and Gas Companies in Nigeria. A total of 84 respondents were drawn from the population. Both primary and secondary data were used in the study. Primary Data were collected using questionnaires drawn using the Likert's Scale with five points ranging from very great extent to no extent, while secondary data were sourced from already published materials. Hypotheses were formulated and data were analyzed using

Statistical Package for Social Sciences (SPSS) Software and other descriptive statistical tools such as; percentages and tables. The result of the study showed that accounting practices had a significant relationship with performance of Oil and Gas Companies, particularly, the Return on Assets and Return on Capital Employed.

Ojua (2016) examined the extent of application of Strategic Management Accounting Practices (SMAP) by local Nigerian manufacturing enterprises in the making of effective decisions by business managers and accountants. Using a sample of ten manufacturing enterprises, fifty professional accountants and business managers working in the organizations were used in this study. In addition, questionnaires were used for gathering primary data. The Pearson Product Moment Correlation Coefficient and multiple regression analysis were adopted as the main statistical tools for this analysis. The first hypothesis shows a ranking of -0.58 which is less than 0.5 level of confidence. On the other hand, the second hypothesis shows that the sampled enterprises were hindered by inherent barriers in utilizing the benefits of SMAP resulting in the p value of 0.061 which is greater than 0.05. The results of this study indicated significant disapproval of SMAP among professionals working in indigenous manufacturing enterprises. The findings of the study may have implications on the management staff and accountant of the enterprise. Thus, this is because they revealed the below average knowledge of the workings of SMAP.

Based on the review of literature, the following conceptual framework was designed: The graphic diagram in figure 1 shows the conceptual framework and the interrelationship among the major variables.

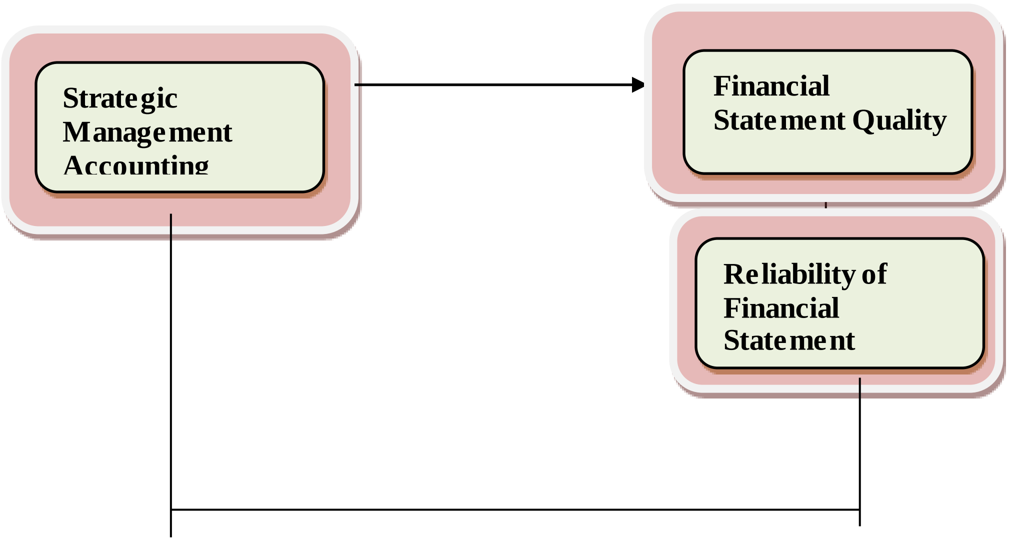

Figure1: Conceptual Framework of Strategic Accounting and Financial Statement quality of Quoted Manufacturing Companies in Rivers State.

Sources: Author's Desk Research, (2022).

Based on the review of literature and in line with the framework provided by the review of literature, this study have a propensity to analyze the association between the two classes of variables of the study as presented in the conceptual framework. The independent variable is strategic management accounting (SMA) and the dependent variable is financial performance (FP) made up of reliability of financial statement (RFS) .

From the conceptual framework, the following Hypothesis was formulated:

H_{01}: There is no significant relationship between strategic management accounting and reliability of financial statements of quoted manufacturing companies in Nigeria.

RESEACH METHODOLOGY

The study adopted the descriptive survey research design. On of one hundred and seventy-seven (177) manufacturing companies Nigeria that are listed on the Nigerian Stock Exchange (NSE), while a sample size of 102 was obtained through the Taro Yamane's formulae Therefore, data was collected through the simple random sampling technique from the respondents through administration of two hundred and four (204) copies of questionnaire to management staff of 102 sampled manufacturing companies in Nigeria, in the frame of two (2) management staff per company. The reliability of the research instrument was performed on the data obtained using the Cronbach Alpha coefficient so as to assess the degree of consistency of the scale. The items returned Alpha value of 0.7 and above and was accepted and considered reliable. The descriptive statistics such as frequencies and simple percentages was used for the analysis of the personal data of the respondents and the research questions while the formulated hypothesis was tested at 5% level of significance (95% confidence interval).through the use of Spearman Rank Correlation Coefficient

RESULTS

This section presents analysis of questionnaire administration and retrieval as follows:

Table 1 Response Rate of Questionnaire Administered

	Number of Questionnaire Administered	Number of Questionnaire Retrieved	Number of Questionnaire Not Retrieved	Number of Invalid Questionnaire	Number of Valid Questionnaire
Number of Questionnaire	204	150	54	40	110
Percentage (%)	100.0	73	26	27	73

Source: *Researcher's Field Survey (2022).*

Table 1 shows the summary of the questionnaire administration. As revealed by the table, a total number of 204 copies of questionnaire were administered to the respondents while 110 copies of the administered questionnaire representing 73% were the valid copies of questionnaire returned, forming the basis of analysis for the study purpose.

Answer to Research Question

Table 2 Analysis of Research Question on Strategic Management Accounting and Reliability of Financial Statements (n=100)

No	Questionnaire Items on Strategic Management Accounting and Reliability of Financial Statements	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Decision

1.	Strategic management accounting information in the financial statements of your company is free from material errors.	29 (26.4%)	39 (35.5 %)	13 (11.8 %)	19 (17.3 %)	10 (9.1%)	3.53	**Agreed**
2.	Your company's strategic management accounting practices and her financial statements are reflections of the company's economic reality.	33 (30.0%)	41 (37.3 %)	11 (10.0 %)	16 (14.5 %)	9 (6.2%)	3.66	**Agreed**
3.	By means of effective strategic management accounting practices, the financial statements of your company are carefully written in a manner that conveys the facts without expressing any personal views.	29 (26.4%)	42 (38.2 %)	12 (10.9 %)	12 (10.9 %)	15 (13.6%)	3.53	**Agreed**

Source: *Researcher's Field Survey (2022).*

Table 2 shows responses on research question covering the three items on strategic management accounting and reliability of financial statements on five-rating scales. The results in the table revealed that the respondents are in agreement with each of the three statements/items on strategic management accounting and reliability of financial statements as the total number and percentages of those that agreed greatly exceed those that disagreed on each of the three statements/items on strategic management accounting and reliability of financial statements. This is further confirmed by the weighted mean ratings of the three statements/items (3.53, 3.66, and 3.53) which are above the criterion mean of 3.0 each.

Hypothesis Testing

In this section, hypothesis is subjected to empirical testing drawing from the results of our inferential statistical analysis (Spearman's Rank Order Correlation Coefficient).

Note: A correlation coefficient of zero ($r=0.0$) indicates the absence of a linear relationship and a correlation coefficient of $r=+1.0$ and $r=-1.0$ indicate perfect linear relationship. Also, correlation coefficient of $r>0.50$ indicates strong degree of linear relationship while correlation coefficient of $r<0.50$ indicates weak degree of linear relationship. However, the decision rule for accepting or rejecting any of the null hypotheses is stated as follows:

Decision Rule

1. Reject the null hypothesis (H_0) at 5 percent level of significance if the significant value (P-value) is less than 0.05.
2. Accept the null hypothesis (H_0) at 5 percent level of significance if the significant value (P-value) is greater than 0.05.

Relationship between Strategic Management Accounting and Reliability of Financial Statements

Table 3: Spearman's Rank Order Correlation Analysis of Strategic Management Accounting and Reliability of Financial Statements (n=110)

			Strategic Management Accounting	Reliability of Financial Statements
Spearman's rho	**Strategic Management Accounting**	Correlation Coefficient	1.000	.731**
		Sig. (2-tailed)	.	.000
		N	**110**	**110**
	Reliability of Financial Statements	Correlation Coefficient	.731**	1.000
		Sig. (2-tailed)	.000	.
		N	**110**	**110**

**. Correlation is significant at the 0.05 level (2-tailed).
Source: *Researcher's Field Survey, 2022 (SPSS 21.0 Output)*

The Spearman's Rank Order Correlation Coefficient (r) result of 0.731 in Table 3 shows that there is a strong positive relationship between strategic management accounting and reliability of financial statements of quoted manufacturing companies in Nigeria. Also, the null hypothesis one (H_{01}) is rejected since the significant value (P-value) of 0.000 is less than 0.05. The alternative hypothesis one (H_{A1}) is therefore accepted and the conclusion is that there is a significant relationship between strategic management accounting and reliability of financial statements of quoted manufacturing companies in Nigeria. This means that there is sufficient statistical evidence to conclude that strategic management accounting has a positive and significant relationship with reliability of financial statements of quoted manufacturing companies in Nigeria.

DISCUSSION OF FINDINGS

The discussion of the findings in this study will be in relation to the hypothesis that guided the study. The hypothesis stated that there is no significant relationship between strategic management accounting and reliability of financial statements of quoted manufacturing companies in Nigeria. The null hypothesis was tested at 5% level of significance. The result showed the probability value to be 0.000 while the alpha value was 0.05. Following the decision rule, the null hypothesis was rejected. This means that there is a significant relationship between strategic management accounting and reliability of financial statements of quoted manufacturing companies in Nigeria. This finding is supported by the work of Ojua (2016) who reported that value chain analysis a dimension of strategic management accounting has a significant positive relationship with reliability of financial statements of Nigerian manufacturing enterprises. This result is also in line with the findings of Ogundayo and Nyikyaa (2021) which revealed that management accounting practice had effect on market share of manufacturing companies in Nigeria, Lan *et al.* (2021) who found that, strategic management accounting has a significant positive effect on business performance of companies, Mostafa (2018) whose results showed that strategic management accounting significantly have the ability to determine decision-making and Emiaso and Egbunike (2018) whose study showed that application of strategic management accounting tools have a positive relationship with organizational performance of companies survey. However, the findings of the study did not support that of Odia (2019) that depicts that, strategic management accounting techniques usage had a significantly negative impact on corporate financial performance

CONCLUSION

This study has investigated the relationship between strategic management accounting and financial statement quality of quoted manufacturing companies in Nigeria and revealed that: a positive and significant relationship between strategic management accounting and reliability of financial statements .Based on the findings, the study concludes that strategic management accounting has a significant positive relationship with financial statement quality of quoted manufacturing companies in Nigeria.

RECOMMENDATIONS

Based on the findings, the following recommendations are made:

1. Manufacturing companies should put in place appropriate measures to adopt strategic management accounting so as to ensure efficient and realistic decision making process that will bring about improved quality of financial reporting as well as financial performance of quoted manufacturing companies in Nigeria.
2. Strategic management accounting should be adopted as a course in universities to enhance knowledge of the students and the accounting lecturers.

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