International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 02 Feb 2024, pp: 522-537 www.ijaem.net ISSN: 2395-5252

Influence of Management Accounting Practices on the Operational Performance of some selected Food and Beverage Manufacturing Companies in Nigeria

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Date of Submission: 28-02-2024 Date of Acceptance: 08-03-2024

ABSTRACT
This study delved into examining the impact of management accounting practices on the performance of Food and Beverage Manufacturing Companies in Nigeria. Specifically, the objectives included identifying the management accounting practices adopted by these companies, assessing the role of planning and control as measures of performance, exploring the connection between decision-making and performance attributes, and evaluating the overall effect of Management Accounting Practices (MAP) on the performance of the selected manufacturing companies.

To achieve these objectives, a survey design was employed, utilizing questionnaires as the primary data collection instrument. A total of 321 questionnaires were distributed, with 250 valid responses forming the basis of the study. The findings indicated that both traditional and contemporary management accounting practices were prevalent among Food and Beverage Manufacturing Companies. Moreover, decision-making and planning and control emerged as integral components of performance attributes. The study conclusively determined that Management Accounting Practices significantly influenced the performance of these companies.

In conclusion, the effective utilization of MAP was identified as a potential enhancer of the selected companies' performance. Consequently, the study recommends that these companies deploy the right expertise to manage their MAP units effectively, ensuring optimal utilization for improved overall performance.

Key Words: (Management, Management Accounting Practices, Decision Making, Planning and Control)

I. BACKGROUND TO THE STUDY

In the current landscape of heightened business competition, organizations are adopting more assertive and dynamic approaches to formulate strategies that ensure sustained profitability. Factors such as business innovations, technological advancements, and evolving customer demands contribute to the competitive environment. Intense competition prompts management to devise techniques and strategies aimed at maximizing profits through increased sales and reduced production costs, thereby creating a competitive advantage within the industry. The adoption of certain management accounting practices is believed to offer strategies influencing customer preferences, providing companies with a lasting edge over rivals, a subject of ongoing debate among accounting scholars (Thompson, Strickland, & Gamble, 2009).

The evolution of management accounting practices is evident in their shift from merely reporting historical information, particularly variance analysis, to actively participating in an organization's strategic planning process (Kiesler&Sproull, 1982). Management accounting skills are actively applied in environments where market intelligence is sought, evaluated, and strategic decisions are made to implement competitive strategies. Ittner and Larcker (1997) argue that such practices enable organizations to gain an advantage in the demanding competitive business environment, necessitating the adoption of innovative management accounting practices. Particularly in the manufacturing sector, where efficiency and cost-effectiveness serve as competitive tools for growth and profitability, management accountants play a crucial role in developing innovative competitive strategies. Despite developments in management accounting theory, studies show a preference for traditional management accounting tools in various countries (Uyar, 2010).

In Nigeria, the accounting profession has witnessed significant growth with the adoption of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). The predominant challenge for companies, especially those listed on the Nigeria Stock Exchange (NSE), is to control costs and enhance overall performance to meet shareholder expectations. In the context of Nigeria's economic situation, investors seek companies capable of creating wealth, making poor-performing companies less attractive. Management accounting emerges as a key tool for firms to compete by delivering high-quality products and services at affordable prices. Existing literature on accounting in Nigerian manufacturing companies tends to focus on financial accounting, information technology adoption, and credit accessibility, with limited attention to management accounting practices' impact on financial performance (Wairegi, 2011; Makau, Wawire, &Ofafa, 2013; Waweru, 2012; Mugambi, 2011). The lack of management accounting practices and technical decision-making skills pose obstacles to the development of manufacturing companies, akin to challenges in accessing credit (Mbogo, 2011).

Hence, this study aims to explore the effects of management accounting practices on the performance of manufacturing companies in Nigeria. The paper focuses on identifying management accounting practices in manufacturing companies, examining their impact on the Food and Beverage Manufacturing Companies, investigating whether planning and control measure performance, and evaluating the role of decision-making as an attribute of performance. The paper is organized into five sections: introduction, literature review, methodology, presentation and interpretation of results, and conclusion and recommendation.

II. LITERATURE REVIEW

This section of the paper deals with the review of literatures that are related to the study. Specifically, the literature focuses on the conceptual, theoretical and empirical literature.

Conceptual Explorations

In the dynamic and competitive business environment of today, the understanding and application of key concepts in management accounting practices and financial performance are crucial for organizational survival and success.

Management Accounting Practices: Navigating Organizational Strategies

Management accounting practices play a pivotal role in guiding organizations through the complexities of the business landscape. These practices offer a significant competitive advantage by influencing managerial actions, motivating behaviors, and fostering the cultural values essential for achieving strategic objectives. Unlike traditional financial accounting, which primarily deals with historical data related to legal financial matters, management accounting is primarily concerned with addressing the internal needs of management (Parker, 2002). The flexibility inherent in management accounting is a key characteristic, acknowledging the need for adaptive responses to the ever-evolving management requirements.

According to the Chartered Institute of Management Accountants (CIMA), management accounting involves the process of identifying, measuring, accumulating, analyzing, preparing, interpreting, and communicating financial information. This information serves as a crucial tool for management in planning, evaluating, and controlling organizational activities. Additionally, management accounting practices extend to the preparation of financial reports for external stakeholders, such as shareholders, creditors, regulatory agencies, and tax authorities (Smith, 2009). In the context of this exploration, management accounting practices are integral to the decision-making process, encompassing the identification, generation, presentation, interpretation, and utilization of information.

Financial Performance: A Multifaceted Evaluation

Financial performance serves as a subjective measure of how effectively a firm utilizes its assets to generate revenues, portraying an overall picture of the firm's financial health over a specific period (Mills, 2008). It provides a lens through which firms can be compared within the same industry or across different industries and sectors. The concept of financial performance measurement emphasizes the potential for employees to enhance the value of a firm. This enhancement can be achieved by increasing the size of future cash flows, accelerating the receipt of those cash flows, or making them more certain and less risky (Cadbury, 1992).

Various indicators contribute to the measurement of financial performance, including return on equity (ROE), return on assets (ROA), liquidity ratios, asset management ratios, profitability ratios, leverage ratios, and market value ratios. The holistic approach to financial performance measurement involves aggregating these measures, providing a comprehensive understanding of a firm's financial health. The indicators influencing financial performance cover aspects such as profit or value added, sales, fees, budget, costs or expenditures, and stock market indicators like share price and autonomy (Carreta& Farina, 2010). Proxies for financial performance, such as ROE and ROA, further contribute to the multifaceted evaluation of a firm's financial standing.

Interplay Between Management Accounting Practices and Financial Performance

Ittner and Larcker (2002) define management accounting practices as a diverse array of methods specifically tailored for manufacturing businesses. These practices, including budgeting, performance evaluation, and information for decision-making and strategic analyses, are designed to support the organizational infrastructure and management accounting processes. The evolution of these practices, as highlighted by Ittner and Larcker (2001), signifies a shift in the fundamental principles of management accounting toward more advanced approaches that add significant value to various organizational practices.

While management accounting practices continue to evolve, certain traditional methods, such as absorption costing and marginal costing, have not uniformly gained favor among businesses. This reflects the dynamic nature of the business environment, wherein the adoption and adaptation of innovative management accounting practices play a crucial role in shaping organizational success.

The conceptual explorations of management accounting practices and financial performance highlight their interconnectedness within the organizational framework. Management accounting practices serve as a guiding force, steering organizations toward effective decision-making, cultural alignment, and strategic achievement. Concurrently, financial performance, evaluated through a myriad of indicators, offers a comprehensive understanding of a firm's fiscal health. The interplay between these concepts underscores the evolving nature of organizational management and the ongoing quest for strategic excellence in today's competitive landscape.

IV. THEORETICAL REVIEW

This section delves into two prominent theories, the Contingency Theory of Management Accounting and the New Institutional Sociology Theory of Management Accounting, to provide a theoretical framework justifying the exploration of management accounting practices and their impact on organizational performance.

Contingency Theory of Management Accounting

Burns and Stalker (1961) initiated discussions on the variability of management accounting practices among organizations, attributing these differences to distinct industries or sectors. Otley (1980) extended this perspective by applying contingency theory to management accounting practices, asserting that there is no universal standard accounting practice applicable to all organizations. The essence of contingency theory lies in acknowledging that each organization develops its own set of management accounting practices, influenced by factors such as technological changes and organizational infrastructure.

For instance, a manufacturing food company contemplating a shift to more modern and efficient technology for handling, processing, and packaging might opt for a computer-based system. However, the qualification requirements for personnel operating such advanced equipment and the resultant impact on production costs become influential in determining the chosen management accounting practices. Contingency theory emphasizes the interplay between environmental and organizational factors, proposing that the effectiveness of organizational characteristics in addressing contingencies enhances overall organizational effectiveness (Morton & Hu, 2008).

New Institutional Sociology Theory

The foundations of New Institutional Sociology (NIS) were laid by Meyer and Rowan's seminal paper in 1977, responding to puzzling observations in the educational sector during the 1970s. NIS contends that some organizations operate in highly institutionalized environments where the "environment" encompasses not only task constraints and relational networks but also cultural rules and social norms reflected in formal structures and procedures. Institutionalized organizations tend to adopt structures and procedures valued in their social and cultural context to achieve legitimacy and secure essential resources for survival (Meyer & Scott, 1992).

This theory offers insights into how formal structures and procedures within organizations are shaped by external cultural norms and social expectations. Organizations align themselves with these institutionalized practices to gain legitimacy and access crucial resources. In the context of management accounting, NIS provides a lens to understand how organizations adopt certain management accounting practices to conform to institutional expectations and norms.

Empirical Review

Adler, Everett, and Waldron (2000) conducted a survey among management accountants in New Zealand manufacturing businesses, utilizing a comprehensive questionnaire to explore a wide array of management accounting techniques. Traditional techniques like full costing, direct costing, and standard costing were found to be more frequently used than advanced techniques such as strategic management accounting.

Abdel-Kader and Luther (2006) focused on the sophistication level of management accounting practices (MAPs) in the U.K. food and drinks industry. Their survey revealed an increase in the sophistication level of MAPs as companies navigated more uncertain environments.

Salawu et al. (2012) surveyed the adoption of Activity Based Costing (ABC) among manufacturing companies in Nigeria. The study identified the inability of traditional cost systems to provide relevant costs as a primary driver for ABC adoption. Larger firms, driven by increased product ranges, competition, and overhead costs, were more likely to adopt ABC despite its implementation challenges.

These empirical studies contribute valuable insights into the real-world application of management accounting practices, showcasing a balance between traditional and advanced techniques and shedding light on factors influencing their adoption

V. METHODOLOGY

Research Methodology

This study, conducted in Lagos State, employed a descriptive survey design to investigate the effects of management accounting practices on the financial performance of manufacturing companies in Nigeria. A descriptive survey design was deemed appropriate to describe the characteristics of specific groups, estimate the proportion of people with certain characteristics, and make predictions. The aim was to collect data from manufacturing companies at a single point in time.

Population and Sampling

The target population for this study comprised the 146 registered Food and Beverages manufacturing companies in Lagos State, as per the records of the Manufacturing Association of Nigeria, Lagos Branch, in 2018. To ensure representativeness, a stratified random sampling method was employed, considering the heterogeneity within the population of different manufacturing firms. Ayodele (2012) recommended a sample size of at least 10% of the target population for such studies. In cases where this percentage was not achievable, the modified Yamane Taro formula (1964) was applied.The study, therefore, selected a sample of 107 manufacturing companies in Lagos State. The selection of this sample size was based on the Yamane Taro formula, defined as follows:

=

$$n = \frac{N}{1+N(e)^2}$$

More so, to identify the proportion of sample that would be drawn from each frame, the formula above was modified as follow;

$$n_h = \frac{N_h X n}{N}$$

Where,

nh= proportion of sample drawn from each stratum

Nh= Population Size in each stratum

n= sample Size

N= Aggregate population size, that is, $N = Nh_1+Nh_2+Nh_3+\text{------------}+Nh_n$

Therefore, using the formula the sample size drawn for the study was now,

$$n = \frac{146}{1+146(0.05)^2}$$

$$n = \frac{146}{1.365}$$

$n=106.96$

$n \approx 107$

The study therefore involves 107 manufacturing companies in Lagos State.

Moreover, from each Food and Beverage Manufacturing companies the sample size drawn was displayed in Table 3.1 below based on Taro

International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 02 Feb 2024, pp: 522-537 www.ijaem.net ISSN: 2395-5252

Table 3.1 shows how the sample size was arrived at.

Food, Beverage and Tomatoes	**Companies**	**Sample size** $n_h = \frac{N_h X n}{N}$
Beer	8	6
Flavouring	7	5
Starch and Miscellaneous Food Products	11	8
Soft Drinks and Carbonated Water	13	9
Flour and Grain Milling	16	13
Meat and Fish	7	5
Tea, Coffee and other Beverages	17	12
Dairy Products	8	6
Fruit Juice	8	6
Tobacco	5	4
Biscuits and Bakery Products	11	8
Sugar	7	5
Distillery and Blending of Spirit	7	5
Cocoa, Chocolate & Sugar Confectionery	11	8
Vegetable and Edible Oil	10	7
Total	**146**	**107**

Source: Researcher's computation, 2019.

Primary data was used for the study. Three hundred and twenty-one questionnaires were distributed to respondents comprising of three questionnaires each to each of the selected Food and Beverage Manufacturing Firms in Nigeria. Since, the researcher knows exactly what he wants a purposive sampling technique was used to select the respondents that were used in this study. Also, only the employees of the selected firms dealing directly with Management Accounting Practices for the need of the management were included in the study. Also, both descriptive and inferential statistical tools were used to analysis the data collected for the study. The inferential statistics of Ordinary Least Square was specifically used to achieve the objectives of the study.

VI. EMPIRICAL RESULTS

Table 4.1 Distribution of respondents by Demographic Characteristics

Demographical Characteristics	**Frequency**	**% Percentage**
Age in years		
18-30	30	12.00
31-40	60	24.00
41-50	120	48.00
51 and above	40	16.00
Total	250	100.00
Marital status		
Married	180	72.00
Single	30	12.00
Others	40	16.00
Total	250	100.00
Nature of Employment		
Permanent	190	76.00
Temporary	30	12.00
Contract	30	12.00
Total	250	100.00
Department		
Account and Payroll	60	24.00
Production	70	28.00
Quality control	80	32.00

Administrative	25	10.00
Others	15	6.00
Total	250	100.00
Years of working Experience		
Below 10 years	50	20.00
10-14	120	48.00
15-19	40	16.00
20-24	35	14.00
25 and above	5	2.00
Total	250	100.00
Academic Qualification		
OND/NCE	40	16.00
HND/BSC	160	64.00
Post Graduate Degree	20	8.00
Professional Qualification	30	12.00
Total	250	100.00

Source: Field Survey, 2023

The results of the descriptive analysis of respondents' demographic characteristics in Table 2 showed the existence of these indicators among the study respondents.

Perceptions of respondents on effects of management accounting practices on performance of manufacturing companies in Nigeria

This section of the chapter critically assessed respondents' perceptions on effects of management accounting practices on financial performance of manufacturing companies in Nigeria. These assessments would be carried out in line with the research objectives identified for the stud

Table 3: Management Accounting Practices of Food and Beverage Manufacturing Companies.

S/N	Variables	SA (%)	A (%)	UND (%)	D (%)	SD (%)	Mean	Std
1	The company makes use of products profitability Analysis.	56 (22.40)	94 (37.60)	20 (8.00)	60 (24.00)	20 (8.00)	3.42	1.30
2	The use of regression to forecast production behaviours over a range of time is adopted in your company.	60 (24.00)	100 (40.00)	40 (16.00)	40 (16.00)	10 (4.00)	3.64	1.13
3	The use of cost apportionment to determined the overhead cost incurred by each cost centers in the organization is used in the company.	78 (31.20)	112 (44.80)	40 16.00)	15 (6.00)	5 (2.00)	3.97	0.95
4	The use of FIFO and LIFO paramount in the company.	45 (18.00)	123 (49.20)	33 (13.20)	14 (5.60)	35 (14.00)	3.52	1.24
5	Marginal costing is applied in the determination of profitability performance to be ascribed to a job unit	12 (4.80)	189 (75.60)	20 (8.00)	13 (5.20)	16 (6.40)	3.67	0.91

International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 02 Feb 2024, pp: 522-537 www.ijaem.net ISSN: 2395-5252

6	The traditional costing techniques of high and low methods are adopted in the manufacturing company.	56 (22.40)	176 (70.40)	8 (3.20)	3 (1.20)	7 (2.80)	4.08	0.76
7	Stock control models are used to monitor inventory levels in your company.	67 (26.80)	120 (48.00)	3 (1.20)	45 (18.00)	15 (6.00)	3.72	1.20
8	An Accounting Information System is used.	89 (35.60)	99 (39.60)	12 (4.80)	42 (16.80)	8 (3.20)	3.88	1.15
9	Budgeting planning and control are used.	56 (22.40)	112 (44.80)	34 (13.60)	8 (3.20)	40 (16.00)	3.54	1.32
10	Variance analyses are used to determine the difference between budgeted and actual performance in your organization.	45 (18.00)	12 (4.80)	55 (22.00)	38 (15.20)	100 (40.00)	2.46	1.48

Source: Field survey, 2023

The mean value computed for each of the test parameters in the table above indicated that management accounting practices were used in Nigerian Food and Beverage companies and hence, it was safe to assert that management accounting practices used in Food and beverages manufacturing companies in Nigeria influenced their performance.

Table4 Distribution of respondents' perception on decision-making as an attribute of performance

S/N	Variables	SA (%)	A (%)	UND (%)	D (%)	SD (%)	Mean	Std
1	Management accounting practices is significant on manufacturing companies' decision-making relating to both financial and non-financial performance.	100 (40.00)	30 (12.00)	70 28.00)	30 (12.00)	20 (8.00)	3.64	1.32
2	The application of regression analysis as a management accounting tool can be used to make decisions regarding the future performance of a product line.	45 (18.00)	127 (50.80)	50 (20.00)	18 (7.20)	10 (4.00)	3.72	0.96
3	Effective decision-making can be used to enhance the sales	78(31.20)	156(62.40)	6(2.40)	6(2.40)	4(1.60)	4.19	0.75

International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 02 Feb 2024, pp: 522-537 www.ijaem.net ISSN: 2395-5252

	performance of the company.							
4	The use of material variance analysis can aid decisions concerning the effective usage of raw materials used in the production line for betteroutput performance.	124 (49.60)	45 (18.00)	30 (12.00)	38 (15.20)	43 (17.20)	4.04	0.90
5	The application of the inventory model as a management accounting Practice can help a manufacturing company in decisions regarding stock control and planning needed for effective cost flexibility.	67 (26.80)	100 (40.00)	23 (9.20)	37 (14.80)	23 (9.20)	3.60	1.26
6	Decision-making is not an attribute of performance.	34 (13.60)	14 (5.60)	56 (22.40)	46 (18.40)	100 (40.00)	2.34	1.40
7	The decision concerning profitability performance can be enhanced through the appropriate utilization of the decision tree model.	78 (31.20)	120 (48.00)	4 (1.60)	25 (10.00)	15 (6.00)	3.79	1.31
8	Appropriate decisions regarding whether to buy or produce in order to enhance both financial and non-financial performances companies can be obtained through MAP,.	102 (40.80)	45 (18.00)	23 (9.20)	56 (22.40)	24 (9.60)	3.58	1.44
9	Inaccurate management accounting tool can produce a	89 (35.60)	120 (48.00)	12 (4.80)	19 (7.60)	10 (4.00)	4.04	1.02

International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 02 Feb 2024, pp: 522-537 www.ijaem.net ISSN: 2395-5252

	result that is not beneficial to the decision relating to non-financial performance.							
10	The utilization of apportionment of overhead cost to cost units can produce effective information for decisions regarding the unit price of a product.	56 (22.40)	132 (52.80)	12 (4.80)	30 (12.00)	20 (8.00)	3.70	1.16

Source: Fieldwork, 2023

Looking at the results in table 4 it might be asserted that decision making was an attributes of performance in the selected manufacturing companies. This inferred was premised on the fact that the mean value computed for many of the test items were greater than the acceptable mean of 3.00 on a five point likert scale. Therefore, it was reasonable to assert that decision making was an attribute of performance and hence, it might be one of the determinants of management accounting practices in Food and Beverages manufacturing companies.

Table 5: Distribution respondents' perception on planning and control as measure of performance in manufacturing companies

S/N	Variables	SA (%)	A (%)	UND (%)	D (%)	SD (%)	Mean	Std
1	Effective planning regarding materials usage in manufacturing companies can enhance performance	56 (22.40)	100 (40.00)	44 (17.60)	40 (16.00)	10 (4.00)	3.61	1.11
2	The cost of keeping excessive stock in store can be minimized through adequate implementation of information regarding inventory planning.	58 (23.20)	112 (44.80)	45 (18.00)	15 (6.00)	10 (4.00)	3.05	2.36
3	Effective product profitability planning can be achieved through simplify management accounting practices that helps in improving performance.	90 (36.00)	113 (45.20)	25 (10.00)	2 (0.008)	20 (8.00)	4.04	0.96
4	Effective budgetary planning and control can be used to accelerate financial performance.	89 (35.60)	104 (41.60)	17 (6.80)	34 (13.60)	6 (2.40)	3.94	1.10
5	Appropriate products planning and control can be realized through the deployment of simple to use management accounting tools that	45 (18.00)	145 (58.00)	23 (9.20)	7 (2.80)	30 (12.00)	3.67	1.17

International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 02 Feb 2024, pp: 522-537 www.ijaem.net ISSN: 2395-5252

	improve productivity performance.							
6	Planning regarding the numbers of personnel required for a production line can enhance performance of the organization regarding cost reduction.	67 (26.80)	163 (65.20)	5 (2.00)	9 (3.60)	6 (2.40)	4.10	0.82
7	Management accounting tools are needed for appropriate planning and control in manufacturing companies for the betterment of their financial and non-financial performance.	67 (26.80)	108 (43.20)	20 (8.00)	24 (9.60)	30 (12.00)	3.62	1.32
8	There is a significant positive effect of planning and control on performance of manufacturing companies.	89 (35.60)	123 (49.20)	8 (3.20)	12 (4.80)	18 (7.20)	4.01	1.12
9	Nigerian manufacturing companies have failed to utilize the advantages derive from the use of management accounting for planning and control to improve their performance.	45 (18.00)	20 (8.00)	12 (4.80)	78 (31.20)	100 (40.00)	2.39	1.47
10	Persistent collapse of manufacturing companies in Nigeria is due to failure of the companies to make use of management accounting tools for their planning and control.	12 (4.80)	34 (13.60)	67 (26.80)	37 (14.80)	100 (40.00)	2.28	1.26

Source: Field work, 2023

Table 5 presented the mean and standard deviation computed for the test variables on planning and control as measured of performance. looking at the results in the table, it might be asserted that planning and control were measured of performance in the selected manufacturers companies and invariably, they might be one of the determinants of management accounting practices in Nigeria Food and Beverage companies. This assertion was premised on the fact that the mean values computed for substantial number of the test items was better than the acceptable mean of 3.00 with a standard deviation that showed a slight dispersion from the mean.

Table 6 Distribution of respondents' perception on the effect of management accounting practices on performance of Food and Beverage manufacturing companies in Nigeria

S/N	Variables	SA (%)	A (%)	UND (%)	D (%)	SD (%)	Mean	Std
1	Effective utilization of management accounting practices can	45 (18.00)	120(48.00)	35(14.00)	34(13.60)	16(6.40)	3.58	1.11

	enhance financial performance of manufacturing companies.							
2	The use of sensitivity analysis as a management accounting practice can help in decision regarding performance of producing an extra unit of a good.	78(31.20)	100(40.00)	32(12.80)	15(6.00)	25(10.00)	3.76	1.25
3	The use of regression as a management accounting practice can improve the future forecast performance	105(42.00)	100(40.00)	25(10.00)	18(7.20)	2(0.008)	4.15	0.93
4	Management accounting practices can serve as a signal for improving the profitability performance of manufacturing companies.	89(35.60)	103(41.20)	8(3.20)	23(9.20)	27(10.80)	3.82	1.29
5	Appropriate utilization of marginal costing technique can enhance the performance of a company as regard profit per unit of a product.	90(36.00)	77(30.80)	34(13.60)	20(8.00)	29(11.60)	3.72	1.32
6	Performance of Manufacturing companies regarding continuous availability of working capital can be enhanced	34(13.60)	160(64.00)	30(12.00)	10(4.00)	16(6.40)	3.74	0.98

	through effective management accounting information.							
7	Management accounting practices and financial performance of manufacturing companies are not related.	3(1.20)	20(8.00)	50(20.00)	100(40.00)	77(30.80)	2.09	0.96
8	Profitability performance of manufacturing companies can be improved through utilization of information supply by management accountants.	67(26.80)	120(48.00)	45(18.00)	8(3.20)	10(4.00)	3.90	0.98
9	The Return on Total Assets of manufacturing companies can be enhanced through adequate implementation of information from management accounting practices	90(36.00)	112(44.80)	20(8.00)	17(6.80)	11(4.40)	4.01	1.06
10	The Return on Equity of manufacturing companies can be improved through appropriate implementation of information supply by management accountants.	87(34.80)	116(46.40)	27(10.80)	12(4.80)	8(3.20)	4.05	0.96

Source: Field survey, 2023

The mean and standard deviation computed for the test item on effect of management accounting practices on performance of Food and Beverage manufacturing companies was presented in Table 6. On the basis of the mean value computed for most of the test items, it was reasonable to assert that management accounting practices had a positive effect on the performance of Food and Beverage manufacturing companies in Nigeria. The import of this was that the right

International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 02 Feb 2024, pp: 522-537 www.ijaem.net ISSN: 2395-5252

deployment of management accounting practices in the selected companies might enhance the performance of the selected manufacturing outfits in terms of planning and control and decision making.

Test of Hypothesis
Ho: Management Accounting Practices have no substantial effect on performance of Food and Beverage Manufacturing Companies in Nigeria.

Table 7 Logit Regression Results

Dependent Variable: PER
Method: ML - Binary Logit (Newton-Raphson / Marquardt steps)
Date: 03/10/23 Time: 21:30
Sample: 1 -250
Included observations: 250
Convergence achieved after 3 iterations
Coefficient covariance computed using observed Hessian

Variable	Coefficient	Std. Error	z-Statistic	Prob.
MAP	10.328163	1.123132	9.195859	0.0005
C	-0.256980	4.927879	-0.052148	0.9584

McFadden R-squared	0.942923	Mean dependent var	0.760000
S.D. dependent var	0.435890	S.E. of regression	0.444654
Akaike info criterion	9.258939	Sum squared resid	4.547504
Schwarz criterion	9.356449	Log likelihood	13.73673
Hannan-Quinn criter.	8.285984	Deviance	27.47346
Restr. Deviance	27.55400	Restr. log likelihood	13.77700
LR statistic	80.080532	Avg. log likelihood	0.549469
Prob(LR statistic)	0.0000008		

Source: Researcher's Computation, 2023
Interpretation and Discussion

VII. RESULTS AND DISCUSSION

Table 7 presents the results of the binary logit regression conducted to test the null hypothesis of the study. The computed p-value for the t-statistics related to Management Accounting Practices (MAP) was 0.0005, which is less than the critical value of 5%. This rejection of the null hypothesis suggests that MAP significantly influences the performance of Food and Beverage Manufacturing companies in Nigeria. The effective utilization of MAP is seen as a potential enhancer of manufacturing companies' performance.

The inference drawn from the results implies that deploying MAP tools in the Nigerian manufacturing sector can improve decision-making processes. This improvement is characterized by informed decisions devoid of subjective opinions, primarily based on human experiences within a specific productive setting. The utilization of MAP tools has been acknowledged by scholars in the accounting field for enhancing planning and control, crucial components for improving performance.

Examining the regression coefficient for MAP, which was 10.33 and positive, reveals a positive relationship between management accounting practices and the performance of selected Food and Beverage Manufacturers. Specifically, a 1% increase in the use of MAP in these companies might lead to a notable 10.33% improvement in their performance.

The coefficient of determination (R2) computed for the test, with a value of 0.943, indicates that 94.30% of the performance in the selected Food and Beverage Manufacturing companies is influenced by the deployment of Management Accounting Practices in planning, control, and decision-making. Therefore, it is reasonable to infer that management accounting practices serve as significant predictor variables for the performance of these companies in Nigeria.

The p-value of the LR (Likelihood Ratio) statistics computed for the overall significance test, which was 0.000000008, is less than the critical value of 5%. This suggests that the null hypothesis, stating that management accounting practices have no substantial impact on the performance of the selected Food and Beverage Companies in Nigeria, is rejected based on the calculated LR statistics of 80.08.

International Journal of Advances in Engineering and Management (IJAEM)
Volume 6, Issue 02 Feb 2024, pp: 522-537 www.ijaem.net ISSN: 2395-5252

Furthermore, the results of other statistical tests, including the Akaike Information Criterion, Schwarz Criterion, and Hannan-Quinn Criterion, with values of 9.26, 9.36, and 8.29 respectively, indicate that the utilization of MAP in the selected Food and Beverage Manufacturing Companies has positively enhanced their performance. This assertion underscores the need to explore the existence of a causal relationship between MAP and the performance of the selected companies.

Table 8 Results of Granger Causality Test

Pairwise Granger Causality Tests
Date: 07/22/18 Time: 15:52
Sample: 248 after Adjustment
Lags: 2

Null Hypothesis:	Obs	F-Statistic	Prob.
MAP does not Granger Cause PERFORMANCE	248	60.60134	0.0001
PERFORMANCE does not Granger Cause MAP		1.86945	0.2970

Source: Researcher's computation, 2023

Table 8 presented the results of Granger causality test for testing the direction of causality relationship between MAP and performance of the selected companies. Looking at the result in the table, it might be inferred that management accounting practices did Granger cause Performance and not Performance did Granger cause Management Accounting Practices. This inferred was premised on the fact that the p-value of the F-statistics computed for the null hypothesis which stated that MAP did not Granger Cause Performance of 0.0001 was less than the critical value of 5%. The implication of this was that the deployment and utilization of MAP tools might enhance performance of the selected companies assuming the MAP was effectively deployed.

VIII. DISCUSSION OF FINDINGS

The study conducted a comprehensive investigation into the relationship between management accounting practices and the financial performance of Food and Beverage Manufacturing companies in Nigeria. The research utilized a descriptive survey design, involving a sample of 107 manufacturing companies in Lagos State.The sample size was determined using the Yamane Taro formula, resulting in a sample size of 107 out of the 146 registered Food and Beverages manufacturing companies in Lagos State. Stratified random sampling was employed, considering the heterogeneous nature of the population.Primary data was collected through the distribution of 321 questionnaires to respondents in the selected Food and Beverage Manufacturing firms. A purposive sampling technique was employed to select employees directly involved with Management Accounting Practices for the management's needs. The respondents were drawn from various departments, including Account and Payroll, Production, Quality Control, Administrative, and others.The demographic characteristics of the respondents were presented in Table 4.1, providing insights into the age, marital status, nature of employment, department, years of working experience, and academic qualifications of the participants. The study analyzed respondents' perceptions regarding the effects of management accounting practices on the performance of manufacturing companies in Nigeria. The findings were categorized into three sections:

The results indicated positive perceptions among respondents regarding the utilization of various management accounting practices, including product profitability analysis, regression analysis for production forecasting, cost apportionment for overhead cost determination, FIFO and LIFO usage, marginal costing, traditional costing techniques, stock control models, accounting information system utilization, budgeting planning and control, and variance analyses.The respondents generally agreed that management accounting practices significantly contribute to decision-making in manufacturing companies. The application of regression analysis, material variance analysis, inventory models, and other tools was perceived positively as attributes of performance.

Planning and control were perceived as crucial measures of performance in manufacturing companies. Effective planning regarding material usage, minimizing excessive stock, product profitability planning, budgetary planning and control, and appropriate products planning and control were highlighted. The respondents expressed positive views on the effect of management accounting practices on the performance of Food and Beverage manufacturing companies. Effective utilization of management accounting practices, sensitivity analysis, regression analysis, profitability enhancement, and improvement in return on total assets and equity were acknowledged.The study tested the null hypothesis that management accounting practices have no substantial effect on the performance of Food and Beverage Manufacturing Companies in Nigeria. The results of the binary logit regression indicated a significant relationship (p-value of 0.0005) between management accounting practices and performance. The regression coefficient for MAP was positive (10.33), suggesting that an increase in the use of MAP might lead to a notable improvement in performance. The Granger causality test explored the direction of causality between MAP and performance. The results suggested that management accounting practices did Granger cause performance, emphasizing the potential enhancement of performance through effective deployment of MAP.

IX. DISCUSSION AND IMPLICATIONS

The findings underscore the importance of management accounting practices in influencing decision-making, planning, and control, consequently affecting the financial performance of Food and Beverage manufacturing companies in Nigeria. The positive perceptions and significant statistical results highlight the potential for MAP to serve as a strategic tool for improving overall performance.The study's implications extend to management practices in the manufacturing sector, emphasizing the need for effective utilization of management accounting tools. Decision-makers can benefit from the insights provided by MAP in planning, control, and decision-making processes. Additionally, the positive perceptions among respondents suggest a favorable environment for the adoption and enhancement of management accounting practices in the industry.

X. CONCLUSION AND RECOMMENDATION

Conclusion

In conclusion, this study delved into the relationship between management accounting practices (MAP) and the financial performance of Food and Beverage Manufacturing companies in Nigeria. Through a comprehensive survey involving 107 manufacturing companies in Lagos State, the research obtained valuable insights into the perceptions of respondents regarding various management accounting practices and their impact on decision-making, planning, and control.

The statistical analysis, including binary logit regression and Granger causality tests, supported the rejection of the null hypothesis, suggesting a substantial and positive effect of MAP on the performance of the selected companies. The findings indicate that effective utilization of management accounting practices can enhance decision-making processes, improve planning and control, and ultimately contribute to the financial performance of manufacturing companies in the Nigerian context.

Recommendations:

Based on the study's findings, the following recommendations are put forth:

1. **Enhanced Utilization of Management Accounting Practices:** Manufacturing companies in Nigeria should invest in the enhanced utilization of various management accounting practices. This includes product profitability analysis, regression analysis for production forecasting, cost apportionment for overhead determination, and the use of accounting information systems.
2. **Training and Skill Development:** To maximize the benefits of management accounting practices, companies should invest in training and skill development programs for their employees. This ensures that staff members are well-equipped to apply these practices effectively.
3. **Promotion of MAP for Decision-Making:** Companies should actively promote the use of management accounting practices for decision-making. This involves creating a culture that values data-driven decision-making processes and recognizes the impact of MAP on both financial and non-financial performance.
4. **Continuous Improvement:** Continuous improvement in the deployment of management accounting tools and techniques is crucial. Companies should regularly review and update their practices to align with industry trends and changes in the business environment.
5. **Collaboration with Academic Institutions:** Collaboration between manufacturing companies and academic institutions can foster research and development in the field of management accounting. This partnership can lead to the creation of tailored solutions that address specific challenges faced by the manufacturing sector in Nigeria.

6. **Government and Regulatory Support:** Government bodies and regulatory authorities should provide support and incentives for companies adopting and implementing effective management accounting practices. This can be in the form of tax incentives, recognition, or other supportive policies.
7. **Further Research:** Continuous research in the field of management accounting and its impact on performance is essential. Future studies could explore specific industry sectors, regional variations, and the dynamic nature of management accounting practices over time.

In implementing these recommendations, manufacturing companies in Nigeria can harness the full potential of management accounting practices to drive improved decision-making, planning, and control, ultimately contributing to enhanced financial performance and sustainability

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