The Adoption of Strategic Management Accounting in Nigerian Manufacturing Firms

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Abstract

This study investigated Strategic Management Accounting (SMA) with a view to determining the extent to which it influences Competitive Advantage in the manufacturing industry in Nigeria. To achieve this purpose, some research questions were raised, and a review of related literature was made. The population of this study consists of Chief Executives, Chief Accountants and Marketing Directors of those manufacturing companies quoted in the
Nigerian Stock Exchange Factbook of 2009. A total of one hundred (100) of such companies and three hundred (300) respondents were identified. The questionnaire, which was administered on the Chief Executives, Chief Accountants and Marketing Directors of the selected companies, was the instrument used for data collection in this study and it was subjected to a face and content validity. Its reliability was tested through a pilot survey of twenty-four (24) respondents with thirty-two (32) test items. A reliability coefficient of 0.96 was computed using the Kendall Co-efficient of Concordance. The data generated for this study were analysed using tables, frequencies, bar charts, and mean scores. Our findings revealed that Strategic Management Accounting enhances Competitive Advantage although several factors bedevil its adoption in Nigerian manufacturing firms. Based on the above, it was recommended that – a course on Marketing Accounting should be introduced into accounting curriculum in Nigerian tertiary institutions to adequately equip future accountants with good knowledge of Strategic Management Accounting; a consensus should be reached among business executives, academics, and accounting practitioners on the components of SMA to enhance its adoption in the Nigerian manufacturing industry; manufacturing firms in Nigeria should welcome a change from Functional- Based Costing to an Activity-Based Costing for the effectiveness of Strategic Management Accounting; and accountants in Nigerian manufacturing firms should be adequately equipped through seminars, workshops and conferences for the transformation of Strategic Management Accounting to strive.

Key words: Strategic management accounting, competitive advantage, competition, marketing accounting, functional-based costing, activity-based costing

Introduction

The contemporary world of business is generally described by a common parlance called the “global village”. This is because satellites have enabled world-wide communication in such a way that business transactions can be concluded online in few minutes between parties geographically separated from each other. As a result, business organizations face world-wide competition. According to Asaik (2000), competition is a game between business rivalries to create and maintain customer by offering the best value.

According to Porter (1985), the forces of competition in any industry are – threat of new entrants, threat of substitutes, rivalry of competitors within the
industry, and the bargaining power of customers and suppliers. Therefore, a firm is expected to monitor closely the activities of its competitors, suppliers, and customers so as to develop strategies to confront the competitive forces for competitive advantage. Barney (2002) ties competitive advantage to corporate performance, hence when a firm achieves above-average performance, it experiences competitive advantage.

There are different strategies for a firm to achieve a competitive advantage. According to Porter (1985), a firm can gain competitive advantage from three alternatives—cost leadership, differentiation, and market focus. The formulation and implementation of these strategies depend on an effective information system (Tampidok, 2004).

Information is the fuel that drives management thoughts and actions. In the absence of accurate and relevant information, management would be incapacitated in the formulation and implementation of business strategies for competitive advantage. The traditional management accounting system, which currently provides accounting information for strategy formulation and decision making is in-ward looking and focuses only on financial data thereby hindering its effectiveness in generating external information particularly about the customers and competitors. A search for an alternative to the traditional management accounting in providing more relevant and reliable information for competitive advantage gave birth to Strategic Management Accounting. Simmonds (1986) 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. It enables a firm to generate more relevant and accurate information to effectively design its competitive strategies for competitive advantage in the industry.

Despite the publicity that Strategic Management Accounting has received in recent times as a new vista of knowledge in the provision of financial and non-financial information for strategic initiatives and positioning, there is still lack of accounting literature and empirical studies in Nigeria on the adoption of Strategic Management Accounting. Hence the quantum of attention given to Strategic Management Accounting by manufacturers in Nigeria is at low ebb. More so, the lukewarm attitude of most manufacturers in Nigeria towards the practice of Strategic Management Accounting is due to the challenges besieging its practices. Based on the above, our point of departure is to fill these existing gaps by increasing the volume of literature.
on the adoption of Strategic Management Accounting and to provide empirical investigation of the challenges facing its effective adoption in the Nigerian manufacturing industry. Based on the above, the following questions were raised:

(i) To what extent does Strategic Management Accounting influence Competitive Advantage of manufacturing firms in Nigeria?

(ii) What are the challenges faced by manufacturing firms in Nigeria in the adoption of Strategic Management Accounting?

Theoretical Foundation

For many years, Strategic Management Accounting has been advocated as a potential area of development that would enhance the future contribution of management accounting. In the late 1980s, the United Kingdom (UK) Chartered Institute of Management Accounting (CIMA) commissioned an investigation to review the current state of development of management accounting. The findings were published in a report entitled “Management Accounting – Evolution not Revolution” authored by Bromwich and Bhimani (1989). In the report, and a follow-up report entitled “Management Accounting-Pathways to Progress” also authored by Bromwich and Bhimani (1994), drew attention to Strategic Management Accounting as an area for future development.

About the same time in the United States of America (USA), influential academics such as Robert Kaplan, Robin Cooper, and John Shank were vocal critics of the state of management accounting and urged management accountants to improve their relevance by adopting strategic cost management (SCM). On both sides of the atlantics, case studies were published that demonstrated the superiority of SMA or SCM over traditional forms of management accounting. The traditional management accounting has always ignored the impact of competition and the market. It is so involved in the introspective aspect of control that it had almost become a closed system within its own right. At strategic level, the competition and the market must be considered, and the need to take a strategic perspective to management accounting became the accepted wisdom.

According to Johnson and Kaplan (1987) and Bhimani and Bromwich (1992), the term Strategic Management Accounting was introduced into the
academic literature before the crisis in management accounting”, which converted Strategic Management Accounting into more than merely a desperate attempt to regain “lost relevance”. Simmonds (1981) introduces a strategic dimension into the discipline of management accounting by emphasizing the importance of gathering and evaluating data on competitors and demand. He demonstrates that basic management accounting tools can be used to develop and monitor business strategy.

In his opinion, management accounting is able to expand its horizon and provide the precision needed to evaluate strategic options. Simmonds (1981) demonstrated how management accounting can be used to benefit an organisation’s competitive position by going beyond traditional marketing functions. Today, Simmonds is described in management accounting literature as the father of strategic management accounting.

Building on Porter’s value chain work, Shank and Govindarajan (1992) contributed their more tangible concept of strategic cost management. By using activity-based costing, these authors analyse the value chain for strategic cost drivers. Bromwich and Bhimani (1994) added the concept of using product attributes to allocate costs. The contributions of Roslender and Hart (2003) return to the quest for a generic framework which, after several years of academic discourse, is still to be developed. Like Simmonds, they also treat Strategic Management Accounting as a generic approach to strategic positioning. By using the term “accounting for strategic positioning”, they stress the interdependencies of marketing and management accounting in this field, and elaborate on the interdisciplinary interfaces and synergies of combining both disciplines so as to optimize accounting for competitive positioning (Roslender and Hart, 2003).

The alleged lack of empirical evidence of Strategic Management Accounting is filled to some extent during the period described as “the glory decade” where academics, consultants and practitioners all played a role in popularizing strategic management accounting. The major contributors during this period were Gunther (1991); Lord (1996); Dixon (1998); Bhimani and Keshvarz (1999) Guilding, Cravens and Tayles (2000) and Roslender and Hart (2003). Gunther (1991) provides a survey on “the effectiveness of Strategic Management Accounting in German Companies”. He studies the relationship between its intensity and corporate performance. He concludes that to a certain extent, it can be worthwhile to implement a sophisticated Strategic Management Accounting system. Companies with above average,
but not excellent, Strategic Management Accounting practices perform well above average. Lord (1996) and Dixon (1998), using case study evidence contradicts much of the existing academic thought on strategic management accounting. Lord (1996) argues that although elements of Strategic Management Accounting are already evident in corporate practice, the information may not have been quantified in accounting terms or perhaps was not gathered and analysed by management accountants. Instead, the collection and use of information is part of the operational management of the particular firm. Dixon (1998) concludes that the collection and use of competitor information for strategic purposes can be achieved without implementing a formal Strategic Management Accounting process. Apart from supplying historical data, management accounting does not contribute to the strategic planning process. Dixon (1998) concluded that from a cost-benefit perspective, the cost of capturing, collating, interpreting and analyzing the appropriate data out-weighs the benefit.

Bhimani and Keshtvarz (1999), shows that organizations do not view themselves as engaging in strategic management accounting. They claim that management accountants desire a greater involvement in strategic planning activities, rather than just providing information. Guilding et al (2000) investigate the practical use and perceived usefulness of Strategic Management Accounting practices in the UK, U.S., and New Zealand. They detect only minor differences in usage rate and perceived usefulness. Although competitor accounting practices seem to be widely used, other practices they examined show higher perceived merits than usage rates, an indicator of the unused potential of strategic management accounting. As suggested by Lord (1996), Guilding et al (2000) find that Strategic Management Accounting practices do not seem to be perceived by practitioners as being clearly anchored within the context of this term. Roslender and Hart (2003) observe the interface of management accounting and marketing management in ten companies in the UK. They identified two major relationships between management accounting and marketing management – traditional and synergistic. The observations made by Lord (1996) and Dixon (1998) were apparent based on a traditional relationship in which the pattern of co-operation between the two functions is based on a relatively narrow range of practices. In synergistic relationship, both functions use a wider range of management accounting practices and embrace a joint agenda designed to construct a fully interdisciplinary form of marketing accounting.
Although this academic discussion underlines the need for clarification this field, literature fall short of providing a sound theoretical framework. The persistent lack of such a framework supports the view that Strategic Management Accounting is not a new discipline or even a sub-discipline, but merely describes and regroups elements that have long been part of strategic management, management accounting or marketing management. The emergence of Strategic Management Accounting is the third stage of the development of the management accounting discipline; from cost accounting to managerial accounting to strategic management accounting. Cost accounting transformed into management accounting in the period 1945 to the 1960s (Shank 1989).

Some commentators asked whether Strategic Management Accounting is a figment of academic imagination, and others questioned whether accountants have the capacity or the skill to make the practice a success.

A review of extant literature revealed several factors hindering the adoption of Strategic Management Accounting in business organizations (Cohen and Pacquette, 1991; Shank, 2007; Langfried-Smith, 2007). These factors include:

(i) Lack of involvement of internal accounting department in Strategic Management Accounting – Shank (2007), noted that the highly publicized corporate collapse led to increased pressures for tight internal controls and fraud detection. This has occupied the attention of many corporate accounting departments and left little emotional energy for considering the strategic use of accounting information. The implementation of new international financial reporting standards (IFRS) had become of high priority for many business executives.

(ii) Lack of adequate knowledge of Strategic Management Accounting – the level of awareness of Strategic Management Accounting concept is still at a very low level. Shank (2007) noted that in many business programmes of US universities, traditional management accounting continued to be taught and dominated the arena. He also observed that none of the major US management accounting textbooks gave coverage to Strategic Management Accounting topics. This has limited the level of awareness of the concept of strategic management accounting, thereby making its implementation more of an illusion.

(iii) Lack of skilled accounting staff–Strategic Management Accounting is an externally oriented approach that entails the collection of data on costs,
processes, sales volumes, market shares, cashflows and resource utilization for both a business and its competitors. Cooper (1996) claimed that since accountants are not trained on business strategy and marketing management, which have been integrated in the management accounting literature, they are intellectually and emotionally un-equipped for the transformation.

(iv) High cost of implementing Strategic Management Accounting technique- Enmore and Ness (1991) studied cost management practices in mid-western US manufacturing companies and found the high implementation of advanced manufacturing technologies (AMT) was not accompanied by development in cost accounting systems and nor of these companies planned for any improvement in the current cost accounting systems. Cohen and Pacquette (1991) surveyed US manufacturing and service companies and also found a very small take up of new costing systems and limited awareness of the problems associated with their traditional volume-based costing systems. Karmacker, Lederer and Zimmerman (1991), conducted a survey of US manufacturing plants and found dissatisfaction with the orientation of the costing information that was provided for internal decision making purposes. In all of these situations, the companies were reluctant to consider a new cost management system because of its cost implications. Dixon (1998) concluded that from a cost-benefit perspective, the cost of capturing, collating, interpreting and analyzing the appropriate data outweighs the benefit.

(v) Confusion in the adoption and use of Strategic Management Accounting techniques – Bright, Davies, Downes and Sweeting (1992), conducted a major survey of 677 UK manufacturing companies. They reported confusion in the manner in which various strategic cost management tools (e.g. activity–based costing) were adopted and used. For example, in many companies costing information were collected but not reported to managers and costing systems grew in an ad-hoc, unplanned manner. This hinders the implementation of the Strategic Management Accounting concept.

(vi) The existence of strategic elements in normal corporate practice–some commentators argue that the elements of Strategic Management Accounting are already evident in corporate practice. Dixon and Smith (1993) acknowledge that some of the SMA processes might already be
undertaken by other functions within the firm, such as the marketing function. Anderson (2007) stated that there is a lot of Strategic Management Accounting happening in organizations, but not always with the leadership or the involvement of the accounting function. Some of the techniques that we often consider are a part of the management accounting toolbox are considered by other disciplines as their own. Some concepts that we classify as Strategic Management Accounting have entered the province of management and marketing such as balanced score card, value-chain analysis, cost management, customer profitability analysis, etc. Dixon (1998) concluded that the collection and use of competitor information for strategic purposes can be achieved without implementing a formal Strategic Management Accounting process.

(vii) Lack of consensus on the components of Strategic Management Accounting – There is no common agreement among business executives, academics and consultants on what actually constitute strategic management accounting. In considering ten organizations in the UK, Bhimani and Langfield – Smith (2007), found high variety in the form and nature of Strategic Management Accounting processes used within organizations; which focused on the structure and formality of strategic activities and a need for a balance of financial and non-financial information to support strategic process. There were differences across firms as to what they considered to be strategic and in the role played by financial and non-financial information, and this has hindered the implementation of the concept of strategic management accounting.

(viii) Management policies and habit – According to Howell, Brown, Soucy and Seed (1987), one of the earliest surveys on practice of Strategic Management Accounting was commissioned by the National Association of Accountants (NAA) in the US. The survey comprised 1,000 preparers and 1,000 users of management accounting information, and 217 others working in different industries. This was followed by 22 on-site interviews to study the state of the art in management accounting practice in manufacturing industry at that time. In general, they found a wide range of traditional management accounting practice in place but little evidence of Strategic Management Accounting practice, even though advanced manufacturing technologies were widely adopted. There was a high level of dissatisfaction with the cost data by preparers, who did not find it useful for decisions. Areas of criticisms included the
methods used to allocate overheads to products. Langfield – Smith (2007) reported that the major obstacles faced by preparers of management accounting information in adopting improved product costing system, were management policies and priorities, habit and a lack of understanding of alternative methods.

(ix) The existence of accounting lag – Shanks (2007) revealed that the implementation of Strategic Management Accounting in a number of companies surveyed originated from “shadow accounting staff” without the involvement of the accounting staff themselves who are preoccupied more with tight internal control and fraud detection as a result of the corporate failure that currently besieged the corporate world.

(10) Resistance to change – people are more comfortable with their conventional manner of doing things, hence they resist any change that is expected to occur in the organization. The implementation of Strategic Management Accounting is a big challenge because accounting staff and staff of other related functional areas, e.g. marketing are very resistant to its adoption because of the threats (e.g. fear of the unknown, loss of job, etc) that are posed by the introduction of various Strategic Management Accounting techniques (Roslender, 1996). Resistance to change can arise from an adverse effect that a move to Strategic Management Accounting can have on short-term profits and perceptions of the capital markets, as well as unfavourable changes to employees’ performance reports in response to the new cost management system (Shield and Young, 1989).

Methodology

The population of this study consists of Chief Executives, Chief Accountants and Marketing Directors of those manufacturing companies quoted in the Nigerian Stock Exchange Factbook of 2009. Although a total of one hundred (100) manufacturing companies were identified, this study considered only those companies that have been quoted for the past fifteen years (15). Twelve (12) companies could not meet this condition; hence they were excluded from this study. On the whole, eighty-eight (88) companies and two hundred and sixty-four (264) respondents were considered for this study.

Considering the objectives of this study, data were collected mainly through the primary method and the instrument used for the data collection was the questionnaire, which was designed in five response option of Likert- Scale. The questionnaire was subjected to a face and content validity and its
reliability was determined through a pilot survey of twenty-four (24) respondents drawn from eight (8) manufacturing companies, which did not form part of this study. A total of thirty-two (32) test items were used for this purpose. A test-retest method was adopted to test the reliability and the data obtained from the two administrations were computed and analysed using Kendall Coefficient of Concordance, which revealed reliability co-efficient of 0.96, indicating a very strong reliability of the questionnaire.

The data generated for this study were presented in a table and bar chart and analysed using frequencies and means scores.

Empirical Analysis

This section of the study focused attention on the analysis of data generated for this study. Table 1 shows the questionnaire response rate.

Three (3) copies of the questionnaire were administered on the respondents (Chief Executives, Chief Accountants, and Marketing Directors) in each of the eighty-eight (88) companies involved in the study. This gives a total of two hundred and sixty-four (264) copies of questionnaire distributed. As shown in table 1 above, fifty-one (51) copies representing (29%) that were administered to seventeen (17) companies could not be retrieved while 213 copies representing (71%) administered on seventy-one (71) companies were retrieved and found usable for the analysis.

The respondents were asked to indicate the extent to which Strategic Management Accounting influences Competitive Advantage and their responses were presented in the table below.

Since the computed mean (4.17) is greater than the expected (3.0), it implies that Strategic Management Accounting influences Competitive Advantage of Nigerian manufacturing firms.

Figure 1 provides further explanation. It shows that a larger proportion of the respondents agreed that Strategic Management Accounting influences Competitive Advantage of Nigerian manufacturing firms.

The respondents were asked to indicate the challenges influencing the adoption of Strategic Management Accounting and their responses were presented in the table 3 below.

The analysis presented in table 3, revealed several challenges facing the adoption of Strategic Management Accounting in Nigerian manufacturing firms.
firms. The most prevalent challenge is the lack of skilled accounting staff in Strategic Management Accounting issues while the least challenge is lack of consensus on what actually constitutes Strategic Management Accounting. The analysis shows that lack of clarification and understanding of the use of SMA techniques; and the existence of shadow accounting staff are not relevant factors influencing the adoption of Strategic Management Accounting Practices in the Nigerian manufacturing industry.

**Conclusion and Recommendations**

Information is the fuel that drives management thoughts and actions and in the absence of accurate and relevant information, management would be incapacitated in the formulation and implementation of business strategies for competitive advantage. To generate a more reliable and relevant information for strategic decisions in business organizations, the strategic management accounting has been identified in the literature as a viable tool because; it responds to advanced manufacturing technologies, gives full attention to both internal and external environmental information, uses both financial and non-financial data for managerial decisions, lays emphasis on quality measurement and it responds to competitive pressures. But its implementation in Nigerian manufacturing firms as revealed in this study is bedeviled by several factors. These include the following-

(i) The accounting departments of companies are more preoccupied with routine accounting tasks such as posting of transactions; balancing of accounts, cost ascertainment etc.

(ii) Many Nigerian accountants in most of the companies are intellectually ill-equipped for the transformation of strategic management accounting.

(iii) The implementation of Strategic Management Accounting is very costly.

(iv) There is lack of consensus among business executives, academics and accounting practitioners on what actually constitutes the Strategic Management Accounting.

(v) Many criticized that strategic issues are already prevalent in business practices and should not be domiciled under the accounting umbrella because of it little accounting elements.
(vi) Many of the companies’ executives have inadequate knowledge on the practice of Strategic Management Accounting.

Many companies’ management policies and priorities are not in favour of Strategic Management Accounting practices. Many organizations resist a change from the Functional-Based Costing to an Activity-Based Costing.

Based on the findings of this study and the conclusion drawn there from, we specifically made the following recommendations, which we believe if well implemented, would enhance the competitive advantage of manufacturing companies in Nigeria.

(1) There is need for the introduction of marketing accounting course into the accounting curriculum in Nigerian tertiary institutions to adequately equip future accountants on the knowledge of Strategic Management Accounting.

(2) A consensus should be reached among business executives, academics and accounting practitioners on the components of Strategic Management Accounting to enhance its implementation in the Nigerian manufacturing firms.

(3) Manufacturing firms in Nigeria should welcome a change from the Functional-Based Costing to an Activity-Based Costing for the effectiveness of Strategic Management Accounting. Resistance to such change could be managed through – proper education of organizational members on the need and benefits of the change; involvement of organizational members or their representatives in decisions initiating such a change; and provision of incentives to organizational members to encourage their acceptance of the change.

(4) Accountants in Nigerian manufacturing firms should be adequately equipped through seminars, workshops and conferences for the transformation of Strategic Management Accounting.
Table 1: Questionnaire Administration and Retrieval

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No. of Questionnaire Administered</th>
<th>No of Questionnaire Not Retrieved</th>
<th>No of Questionnaire Retrieved and Usable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executives</td>
<td>88</td>
<td>17</td>
<td>71</td>
</tr>
<tr>
<td>Chief Accountants</td>
<td>88</td>
<td>17</td>
<td>71</td>
</tr>
<tr>
<td>Marketing Directors</td>
<td>88</td>
<td>17</td>
<td>71</td>
</tr>
<tr>
<td>Total</td>
<td>264</td>
<td>51</td>
<td>213</td>
</tr>
<tr>
<td>Percentage</td>
<td>100%</td>
<td>29%</td>
<td>71%</td>
</tr>
</tbody>
</table>

SOURCE: SURVEY DATA, 2010

Table 2: Respondents’ opinion on the influence of Strategic Management Accounting on Competitive Advantage of Nigerian manufacturing firms

<table>
<thead>
<tr>
<th>Responses</th>
<th>Weights (X)</th>
<th>Chief Executives</th>
<th>Chief Accountants</th>
<th>Marketing Directors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Frequencies (f)</td>
<td>Scores (fx)</td>
<td>Frequencies (f)</td>
<td>Scores (fx)</td>
</tr>
<tr>
<td>SA</td>
<td>5</td>
<td>21</td>
<td>105</td>
<td>33</td>
<td>165</td>
</tr>
<tr>
<td>A</td>
<td>4</td>
<td>50</td>
<td>200</td>
<td>38</td>
<td>152</td>
</tr>
<tr>
<td>D</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SD</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>71</td>
<td>305</td>
<td>71</td>
<td>317</td>
</tr>
</tbody>
</table>

Source: Survey Data, 2010

Mean score (x̄) = 4.17

Figure 1
Table 3: Challenges Influencing the Adoption of Strategic Management Accounting (SMA) in the Nigerian, manufacturing Industry

<table>
<thead>
<tr>
<th>S/No</th>
<th>Challenges</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>I</th>
<th>$\bar{X}$</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of skilled accounting staff in SMA issues.</td>
<td>460</td>
<td>412</td>
<td>30</td>
<td>16</td>
<td>0</td>
<td>4.31</td>
<td>Accept</td>
</tr>
<tr>
<td>2</td>
<td>High cost of implementing SMA techniques.</td>
<td>315</td>
<td>428</td>
<td>99</td>
<td>40</td>
<td>0</td>
<td>4.14</td>
<td>Accept</td>
</tr>
<tr>
<td>3</td>
<td>Lack of clarification and understanding of the use of SMA techniques.</td>
<td>100</td>
<td>112</td>
<td>219</td>
<td>178</td>
<td>3</td>
<td>2.87</td>
<td>Reject</td>
</tr>
<tr>
<td>4</td>
<td>The existence and practice of strategic activities in various functions of the business.</td>
<td>365</td>
<td>396</td>
<td>84</td>
<td>20</td>
<td>3</td>
<td>4.08</td>
<td>Accept</td>
</tr>
<tr>
<td>5</td>
<td>Lack of consensus on what actually constitutes SMA techniques.</td>
<td>420</td>
<td>316</td>
<td>81</td>
<td>42</td>
<td>2</td>
<td>4.02</td>
<td>Accept</td>
</tr>
<tr>
<td>6</td>
<td>Lack of management policies and priorities for SMA practices.</td>
<td>405</td>
<td>388</td>
<td>75</td>
<td>20</td>
<td>0</td>
<td>4.17</td>
<td>Accept</td>
</tr>
<tr>
<td>7</td>
<td>Lack of adequate knowledge on the practice of SMA by companies executives.</td>
<td>355</td>
<td>352</td>
<td>90</td>
<td>48</td>
<td>0</td>
<td>3.97</td>
<td>Accept</td>
</tr>
<tr>
<td>8</td>
<td>Preoccupation of accounting staff with routine tasks such as posting of transactions, balancing of accounts and ascertainment of cost.</td>
<td>275</td>
<td>220</td>
<td>171</td>
<td>54</td>
<td>19</td>
<td>3.47</td>
<td>Accept</td>
</tr>
<tr>
<td>9</td>
<td>The existence of shadow accounting staff.</td>
<td>50</td>
<td>52</td>
<td>243</td>
<td>78</td>
<td>7</td>
<td>2.91</td>
<td>Reject</td>
</tr>
<tr>
<td>10</td>
<td>The resistance of organizational members to accept a change from functional-based costing to activity-based costing.</td>
<td>550</td>
<td>276</td>
<td>60</td>
<td>28</td>
<td>0</td>
<td>4.29</td>
<td>Accept</td>
</tr>
</tbody>
</table>

Source; Survey Data 2010
References


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