

MANAGEMENT ACCOUNTING INNOVATIONS AND ORGANIZATIONAL COMPETITIVENESS: A CURSORY LOOK

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ABSTRACT: *This study examines the link between Management Accounting Innovations (MAIs) and organizational competitiveness in Nigeria, using secondary data from Dangote Cement Plc, GTCO Plc, MTN Nigeria Plc, Nigerian Breweries Plc, and Nestlé Nigeria Plc between 2018–2023. Grounded in Contingency Theory, Resource-Based View, Institutional Theory, and Dynamic Capabilities Theory, it adopts an ex-post facto design with data from annual reports, financial statements, and regulatory publications. Findings show that advanced costing techniques such as activity-based costing, target costing, and life-cycle costing improved accuracy, efficiency, and profitability, though their benefits were constrained by inflation and foreign exchange volatility. Integrated performance systems, especially the Balanced Scorecard, boosted competitiveness by balancing financial and non-financial outcomes, illustrated by GTCO's reduced cost-to-income ratio and MTN's subscriber growth. Strategic management accounting practices, including rolling forecasts, beyond budgeting, and competitor analysis, enhanced adaptability and resilience, sustaining market leadership. However, sectoral differences emerged: banks and telecoms led in MAI adoption, while manufacturing firms and SMEs lagged due to cost and expertise limitations. The study concludes that MAIs significantly enhance competitiveness but remain contingent on sectoral and macroeconomic conditions. It recommends wider adoption of innovative systems, SME support, and policies stabilizing the business environment.*

Keywords: *Management Accounting Innovations, Advanced Costing, Balanced Scorecard, Strategic Management Accounting, Organizational Competitiveness, Nigeria.*

INTRODUCTION

1.1 Background to the Study

In today's dynamic business environment, firms face pressure from technological change, economic volatility, customer sophistication, and regulatory reforms. Traditional management accounting systems, criticized for focusing mainly on cost accumulation and financial reporting (Johnson & Kaplan, 1987), are inadequate for strategic decision-making. This has driven the adoption of Management Accounting Innovations (MAIs), including Advanced Costing and Profitability Analysis (ACPA), Strategic Performance Measurement (SPM), and Adaptive Planning and Control (APC).

MAIs emphasize value creation, competitiveness, and strategic positioning. Advanced costing methods such as Activity-Based Costing, target costing, and life-cycle costing improve accuracy and efficiency. Tools like the Balanced Scorecard integrate financial and non-financial metrics, ensuring customer focus and innovation. Adaptive mechanisms, including

rolling forecasts and beyond budgeting, enhance organizational flexibility in uncertain environments.

In Nigeria, competitive industries such as cement, banking, telecoms, and food and beverages provide a fertile context. This study therefore examines “Management Accounting Innovation and Organizational Competitiveness: A cursory Look” using data from leading Nigerian firms (2018–2023).

1.2 Statement of the Problem

Nigerian firms face rising costs, declining productivity, weak customer loyalty, currency volatility, and intense competition. Traditional management accounting is often criticized as backward-looking, rigid, and unsupportive of dynamic decisions. While some firms have adopted management accounting innovations, limited academic work in Nigeria systematically links these practices to competitiveness using documentary evidence. Most studies rely on surveys of perceptions rather than company data, leaving a gap in empirical evidence. This study addresses the gap by examining how selected Nigerian companies apply management accounting innovations and the extent to which these practices influence competitiveness, using only secondary data.

1.3 Objectives of the Study

The broad objective is to examine the relationship between management accounting innovations and organizational competitiveness in Nigeria.

The specific objectives are to:

1. Examine the effect of **Advanced Costing and Profitability Analysis (ACPA)** on organizational competitiveness in selected Nigerian companies.
2. Assess the effect of **Strategic Performance Measurement (SPM)** on organizational competitiveness in selected Nigerian companies.
3. Evaluate the effect of **Adaptive Planning and Control (APC)** on organizational competitiveness in selected Nigerian companies.

1.4 Research Questions

1. To what extent does Advanced Costing and Profitability Analysis enhance organizational competitiveness in Nigerian companies?
2. How does Strategic Performance Measurement influence organizational competitiveness in Nigerian companies?
3. What is the effect of Adaptive Planning and Control on organizational competitiveness in Nigerian companies?

1.5 Research Hypotheses

- **H01:** Advanced Costing and Profitability Analysis has no significant effect on organizational competitiveness in Nigerian companies.
- **H02:** Strategic Performance Measurement has no significant effect on organizational competitiveness in Nigerian companies.
- **H03:** Adaptive Planning and Control has no significant effect on organizational competitiveness in Nigerian companies.

1.6 Scope of the Study

The study focuses on five leading Nigerian firms across key sectors:

1. Dangote Cement Plc (manufacturing)
2. Guaranty Trust Bank Plc (banking)
3. MTN Nigeria Plc (telecommunications)
4. Nigerian Breweries Plc (FMCG/manufacturing)
5. Nestlé Nigeria Plc (FMCG/manufacturing)

The period under review is **2018–2023**, chosen to capture recent trends in management accounting innovations and organizational competitiveness.

1.7 Significance of the Study

- **Academic significance:** Provides empirical evidence linking MAIs and competitiveness using Nigerian company data, addressing gaps in literature.
- **Practical significance:** Offers insights for managers on how MAIs can improve cost efficiency, strategy execution, and adaptability.
- **Policy significance:** Guides regulators and policymakers (CBN, SEC, NSE) on the role of MAIs in strengthening Nigerian firms' resilience.
- **Societal significance:** Enhances competitiveness of Nigerian firms, potentially leading to job creation, improved customer satisfaction, and economic growth.

1.8 Limitations of the Study

1. Context-specific Scope

This study focused on selected manufacturing firms in Nigeria. While this provides valuable insights into the Nigerian context, the findings may not be directly generalizable to other industries or countries with different institutional settings.

2. Cross-sectional Nature

Data were collected at a single point in time. As a result, the study establishes associations between innovative management accounting practices and competitive advantage but does not capture long-term or causal effects.

3. Self-reported Responses

The study relied on responses from managers and accountants. Although steps were taken to reduce bias, self-reported data may be subject to over- or under-reporting of actual practices.

4. Coverage of Selected Practices

The research examined a limited set of innovative management accounting practices. Other relevant techniques may also contribute to competitive advantage but were beyond the scope of this study.

REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Concept of Management Accounting Innovation (MAI)

Management Accounting Innovation (MAI) refers to the development and adoption of new techniques, systems, and practices in management accounting that go beyond traditional tools. Traditional management accounting emphasized cost recording, variance analysis, and static budgeting. However, business complexity, globalization, and technology have made such approaches inadequate.

Examples of MAI include **Activity-Based Costing (ABC)**, **Target Costing**, **Balanced Scorecard (BSC)**, **Life-Cycle Costing**, **Value Chain Analysis**, **Environmental Management Accounting**, and **Beyond Budgeting**. These innovations emphasize both **financial and non-financial measures**, ensuring managers obtain a holistic view of organizational performance. In Nigeria, the gradual adoption of MAI has been influenced by the need for global competitiveness, IFRS adoption, pressure from investors, and the dynamic nature of industries like banking, telecom, and manufacturing.

2.1.2 Advanced Costing and Profitability Analysis (ACPA)

ACPA involves sophisticated costing methods that enable organizations to determine the true cost of products, services, and customers.

- **Activity-Based Costing (ABC):** Allocates costs based on activities that drive overheads, providing more accurate product costing.
- **Target Costing:** Sets a cost target based on market price and desired profit, driving efficiency from design to production.
- **Life-Cycle Costing:** Considers costs across a product's life cycle — design, production, use, and disposal.

In Nigerian firms, ACPA has helped address the challenges of high overheads, fluctuating input prices, and waste in operations.

2.1.3 Strategic Performance Measurement (SPM)

SPM refers to performance evaluation that goes beyond financial figures.

- **Balanced Scorecard (BSC):** Measures performance from four perspectives: financial, customer, internal processes, and learning/growth.
- **Value-Based Management (VBM):** Aligns performance measurement with shareholder wealth creation (e.g., Economic Value Added).
- **Benchmarking:** Comparing organizational practices with best practices in the industry.

SPM ensures competitiveness by aligning strategy with measurable outcomes. In Nigeria, banks and telecoms extensively use BSC to measure customer satisfaction, innovation, and employee efficiency.

2.1.4 Adaptive Planning and Control (APC)

APC involves flexible and forward-looking approaches to budgeting and planning.

- **Rolling Forecasts:** Continuously updated financial forecasts.
- **Beyond Budgeting:** Abandons rigid budgets for decentralized, adaptive controls.
- **Scenario Planning:** Preparing alternative plans for uncertain futures.

In Nigeria, where inflation, exchange rates, and government policies are unpredictable, APC enhances resilience and competitiveness.

2.1.5 Organizational Competitiveness

Competitiveness refers to the ability of a firm to sustain profitability, growth, and market share in dynamic environments. It encompasses:

- **Cost efficiency** (low-cost production, lean operations).
- **Differentiation** (unique products/services).
- **Innovation** (new products, processes, and ideas).
- **Resilience** (ability to adapt to shocks).

Management accounting innovations support all four dimensions, positioning Nigerian firms to thrive amid competition.

2.2 Theoretical Framework

Several theories underpin the link between management accounting innovation and organizational competitiveness.

1. **Contingency Theory (Otley, 1980):**

Suggests that there is no one best way to design management accounting systems; effectiveness depends on environmental conditions. Nigerian firms facing dynamic conditions must adopt adaptive MAI tools.

2. **Resource-Based View (RBV) (Barney, 1991):**

Argues that unique resources and capabilities (like innovative accounting systems) can be sources of competitive advantage. Firms adopting MAI develop superior decision-making capacity.

3. **Institutional Theory (Meyer & Rowan, 1977):**

Organizations adopt innovations not only for efficiency but also to gain legitimacy. Nigerian firms adopt MAI to meet investor, regulatory, and global expectations.

2.3 Empirical Review

The adoption of Management Accounting Innovations (MAIs) in Nigeria has attracted significant scholarly attention. Several empirical studies conducted by Nigerian researchers have examined how different innovations influence organizational competitiveness, cost efficiency, and performance.

Lopez-Valeiras, E., Gomez-Conde, J., & Naranjo-Gil, D. (2015). Sustainable innovation, management accounting and control systems, and international performance. *Sustainability*, 7(3), 3479–3492.

Methodology: Survey of 123 Spanish & Portuguese firms; PLS analysis.

Findings: Contemporary MACS (e.g., BSC, benchmarking) enhance the positive effects of sustainable innovation on international performance; traditional systems do not.

Recommendations: Use modern control systems to capitalize on innovation's international performance benefits.

Gomez-Conde, J., Lunke, R. J., & Rosa, F. S. (2019). Environmental innovation practices and operational performance: The joint effects of management accounting and control systems and environmental training. *Accounting, Auditing & Accountability Journal*, 32(5), 1325–1357.

Methodology: Survey of 89 Brazilian hotels; hierarchical moderated regression.

Findings: Interactive MACS trigger environmental innovation practices; when combined with environmental training and diagnostic use, operational performance improves.

Recommendations: Deploy interactive control practices and training to foster environmental innovation.

Tsai, M.-H., Chang, J.-H., Lin, Y.-S., & Cheng, K.-C. (2020). The impact of product innovation on performance: The influence of uncertainty and managerial accounting information systems. MPRA Paper.

Methodology: Survey of high-tech firms in Taiwan; path analysis focusing on MAIS characteristics.

Findings: Product innovation enhances performance via MAIS, especially in uncertain environments.

Recommendations: In turbulent markets, integrate MAIS to fully leverage innovation.

Le, H. M., Nguyen, T. T., & Hoang, T. C. (2020). Organizational culture, management accounting information, innovation capability and firm performance in SMEs. *Journal of Accounting & Business Management*.

Methodology: Survey of 200 managers in Vietnamese SMEs.

Findings: Organizational culture and accounting information jointly enhance innovation capability and firm performance; accounting information fully mediates culture → performance.

Recommendations: Develop values that support innovation, mediated by robust accounting information systems.

Marlina, E., & Tjahjadi, B. (2021). The role of organization strategy and management accounting innovations on cost performance: Case of HEIs in Sumatra. *Journal of Accounting and Investment*.

Methodology: Quantitative survey of finance heads in HEIs across four provinces; SEM-PLS.

Findings: Organizational strategy and MAI both significantly improve cost performance; MAI did not act as a mediator.

Recommendations: HEIs should align strategy with MAI implementation to enhance cost management.

Olumoh, Y. A. (2023). Strategic management accounting, digitalization, and performance among consumer goods firms in Lagos State. *Malete Journal of Accounting and Finance*.

Methodology: Survey of 161 management employees across 45 Lagos-based consumer goods firms; PLS-SEM.

Findings: Strategic costing and digitalized accounting methods significantly enhance firm performance; strategic customer accounting did not.

Recommendations: Focus on effective strategic costing and digital integration to boost competitiveness.

Ahmad, A. Y. A., El-Dalahmeh, S., Al-Shakri, K., Alkhaldeh, B., & Alsmadi, L. (2024). The link between management accounting information systems and firm competitiveness: The mediating role of innovation capabilities. *Uncertain Supply Chain Management*, 12(3), 1781–1790.

Methodology: Survey of over 500 Jordanian SME managers; PLS-SEM analysis.

Findings: MAIS use significantly enhances innovation capabilities and firm competitiveness; innovation capabilities mediate the MAIS–competitiveness relationship.

Recommendations: SMEs and policymakers should invest in both MAIS and innovation capabilities simultaneously.

Laosirirat, A., & Chankaew, K. (2024). Strategies for achieving sustainable competitive advantage through innovative management accounting in manufacturing. *International Journal of Multidisciplinary Research and Studies*, 7(1), 1–13.

Methodology: Survey of 385 manufacturing businesses; correlation and multiple regression analysis.

Findings: Strategic cost management, quality control, and strategic analysis systems positively relate to cost leadership and differentiation, though performance measurement integration had limited effects.

Recommendations: Prioritize strategic costing and analytic systems over mere measurement integration.

Vutuzah, C. (2024). Management accounting techniques and the creation & sustenance of competitive advantage among Zimbabwe's petroleum companies. PhD Thesis, University of KwaZulu-Natal.

Methodology: Structured survey of petroleum firms; regression, correlation analysis.

Findings: Budgetary control, performance evaluation, and decision-support systems enhance competitiveness; long-term DSS is the strongest factor; framework CAMAF developed.

Recommendations: Integrate MA techniques and invest in DSS; policymakers should create enabling environments.

Chuma, K., & Mpundu, M. (2025). Integrating Industry 4.0 in management accounting: An empirical study of technology adoption in Botswana. *African Journal of Innovation and Entrepreneurship*.

Methodology: Mixed methods with 275 respondents via surveys and interviews.

Findings: Adoption of Industry 4.0 in management accounting is driven by leadership, corporate culture, employee engagement, and resources; hindered by low digital literacy and resistance to change.

Recommendations: Build digital capabilities, leadership support, and employee readiness to leverage MAI.

Pasaribu, H., Ghozali, Z., Susilawati, M., & Masnoni, M. (2025). Transformation of strategic management accounting to support innovation and competitive advantage in the digitalization era. *Maneggio*.

Methodology: Qualitative case studies with interviews and observations of firms implementing digital SMA.

Findings: Digital SMA improves efficiency, transparency, and innovation; challenges include resistance to technology and high costs; success requires top-management support and HR readiness.

Recommendations: Invest in technology, training, and supportive policies to harness digital SMA.

METHODOLOGY

3.1 Research Design

This study adopts an **ex-post facto research design**, which is considered appropriate because the research relies on already published company data rather than direct manipulation of variables. Ex-post facto design enables the investigation of cause-and-effect relationships using existing information, making it particularly useful in accounting and finance research where experimental manipulation is neither practical nor ethical. In this context, the independent variables are Management Accounting Innovations (MAIs)—captured through evidence of advanced costing, strategic performance measurement, and adaptive planning practices—while the dependent variable is organizational competitiveness. By examining historical data between 2018 and 2023, the design allows the study to draw inferences on how innovations in management accounting have influenced firm-level competitiveness across different sectors in Nigeria.

3.2 Population of the Study

The population for this study consists of all firms listed on the **Nigerian Exchange Group (NGX)**. As of 2023, over 150 companies are quoted across major sectors including

manufacturing, banking, oil and gas, telecommunications, consumer goods, and services. This broad population provides a fertile ground for assessing the role of MAIs in organizational competitiveness.

3.3 Sample Size and Sampling Technique

Given the large population, purposive sampling was applied to select five firms that met specific criteria: (i) availability of complete annual reports between 2018 and 2023, (ii) prominence and leadership within their respective industries, and (iii) demonstrable adoption of modern management accounting tools. The selected firms were **Dangote Cement Plc (manufacturing/cement)**, **Guaranty Trust Bank Plc (banking)**, **MTN Nigeria Plc (telecommunications)**, **Nigerian Breweries Plc (FMCG/manufacturing)**, and **Nestlé Nigeria Plc (FMCG/manufacturing)**. These firms represent diverse industries and offer rich insights into sectoral differences in MAI adoption.

3.4 Sources of Data

The study relies exclusively on **secondary data**, obtained from multiple credible sources: annual reports and audited financial statements of the five selected companies (2018–2023); the Nigerian Exchange (NGX) Factbook; Central Bank of Nigeria (CBN) statistical bulletins; Nigerian Communications Commission (NCC) industry reports (for MTN Nigeria); and World Bank/IMF publications for contextual macroeconomic indicators.

3.5 Method of Data Collection

A documentary review method was used to systematically extract data. The review focused on evidence of:

- **Advanced Costing and Profitability Analysis (ACPA):** disclosures on activity-based costing, target costing, cost drivers, and profitability analyses.
- **Strategic Performance Measurement (SPM):** use of Balanced Scorecard, customer satisfaction indices, and productivity reports.
- **Adaptive Planning and Control (APC):** rolling forecasts, beyond budgeting, and scenario analyses.
- **Organizational Competitiveness:** profitability ratios, revenue growth, market share, customer growth, and innovation indices from sustainability reports.

3.6 Method of Data Analysis

The data were analyzed using a mix of **content analysis** and **descriptive statistics**. Content analysis interpreted qualitative disclosures relating to MAIs, while descriptive statistics (tables, charts, and percentages) summarized competitiveness indicators. **Trend analysis** was employed to evaluate changes in performance over the six-year period, while **comparative analysis** highlighted sectoral differences between manufacturing, banking, telecommunications, and FMCG firms.

3.7 Model Specification

The functional model guiding the analysis is expressed as:

$$OC = f(ACPA, SPM, APC)$$

Where:

- OC = Organizational Competitiveness (proxied by profitability, market share, customer growth)
- ACPA = Advanced Costing and Profitability Analysis

- SPM = Strategic Performance Measurement
- APC = Adaptive Planning and Control

3.8 Validity and Reliability

Validity was ensured by relying on audited company reports and publications of statutory regulatory bodies such as NGX, CBN, and NCC. Reliability was strengthened by the fact that the reports are independently audited and publicly accessible, ensuring consistency and credibility of the data.

3.9 Decision Rule for Hypotheses Testing

The decision rule is straightforward: if trend and content analysis reveal consistent evidence that MAIs improve competitiveness, the null hypotheses (H01, H02, H03) will be rejected. Conversely, if no significant patterns are observed, the null hypotheses will be retained.

RESULTS

4.1 Examine the effect of **advanced costing innovations** on organizational competitiveness.

Table 4.1.1: Costing Innovations and Profitability Trends (2018–2023)

Company	MAI Applied	Tool	Avg. Margin (2022)	Gross (2018–2023)	2023 Performance	Observation
Dangote Cement Plc	Value-chain costing	process	30–35%	₦553bn	profit after tax	High profitability despite FX costs
Nestlé Nigeria Plc	Target life-cycle costing	costing	43%	₦79.5bn	net loss	Costing improved efficiency but eroded by FX loss
Nigerian Breweries	Activity-based costing (ABC)		35%	₦106bn	net loss	ABC controlled costs but macro shocks dominated

Interpretation:

The results reveal that costing innovations such as **target costing** and **ABC** improve efficiency and margins under stable conditions. However, external macroeconomic shocks (currency depreciation, inflation) significantly reduced competitiveness in manufacturing firms. This agrees with Oyerogba et al. (2014) and Ilemona et al. (2019) who found that ABC adoption enhances cost accuracy but requires a stable environment to sustain profitability.

4.2 Assess the relationship between integrated performance measurement systems and competitiveness.

Table 4.1.2: Performance Measurement Systems and Competitiveness (2018–2023)

Company	MAI Applied	Tool	Key Indicators (2018–23)	Competitiveness Outcome
GTCO Plc	Balanced Scorecard (BSC)		Cost-to-income ratio fell from 37.1% (2018) to 29.1% (2023); PBT ₦609bn in 2023	Improved efficiency, dominance in banking

Company	MAI Applied	Tool	Key Indicators (2018–23)	Competitiveness Outcome
MTN Nigeria Plc	Balanced Scorecard + financial KPIs	non-	Subscribers rose from 58.2m (2018) to 77.1m (2023); PAT ₦553bn in 2023	Strong market leadership, customer base growth

Interpretation:

The findings show that **integrated performance measurement systems** such as the BSC enhance competitiveness by combining financial and non-financial perspectives. GTCO’s declining cost-to-income ratio and MTN’s subscriber growth demonstrate improved competitiveness. This supports Idowu (2018) and Etim & Agara (2011), who confirmed that BSC adoption strengthens performance in Nigerian banks.

4.3 Evaluate the contribution of strategic management accounting (SMA) practices to competitiveness.

Table 4.1.3: Strategic Management Accounting Practices and Competitiveness (2018–2023)

Company	SMA Tools Applied	Evidence (2018–23)	Competitiveness Outcome
Dangote Cement Plc	Competitor rolling benchmarking	analysis, forecasts, Maintained 52.9% market share in 2023	Sustained industry dominance
GTCO Plc	Diversification, competitor beyond budgeting	analysis, Non-interest income rose from ₦110bn (2018) to ₦356bn (2023)	Reduced reliance on interest income, stable performance
Nestlé Nigeria Plc	Product distribution analysis	innovation, channel Expanded product lines despite 2023 FX losses	Sustained brand leadership

Interpretation:

The evidence shows that SMA provides long-term competitiveness by guiding diversification, market positioning, and innovation. Dangote’s market leadership and GTCO’s income diversification prove that SMA supports resilience in volatile environments. This is in line with Apkan et al. (2016) and Emiaso & Egbunike (2018), who found that SMA practices help firms sustain performance despite environmental uncertainty.

4.4 Summary of Analysis

1. **Advanced costing innovations** improve efficiency and margins, but their effect is weakened by macroeconomic instability.
2. **Integrated performance measurement systems** strongly drive competitiveness, especially in financial and telecom firms.
3. **Strategic management accounting practices** ensure sustainability by enhancing adaptability and strategic positioning.

4.2 Test of Hypotheses

The study formulated three hypotheses in line with the specific objectives:

Hypothesis One

H₀₁: Advanced costing innovations have no significant effect on organizational competitiveness.

H₁₁: Advanced costing innovations have a significant effect on organizational competitiveness.

Table 4.2.1: Hypothesis One Test (Costing Innovations vs Competitiveness)

Company	MAI Tool Applied	Competitiveness Indicator	Observation
Dangote Cement Plc	Value-chain costing	Sustained profit margin 30–35% (2018–22)	Positive effect
Nestlé Nigeria Plc	Target costing	Maintained gross margin 43% (2018–22)	Positive, but weakened by FX loss in 2023
Nigerian Breweries Plc	ABC	Improved production planning but ₦106bn loss in 2023	Weak effect due to external shocks

Decision: Since 2 out of 3 firms recorded competitiveness improvements due to advanced costing innovations, the null hypothesis is **rejected**.

Conclusion: Advanced costing innovations significantly affect organizational competitiveness, though external shocks may moderate the effect.

Hypothesis Two

H₀₂: Integrated performance measurement systems have no significant relationship with organizational competitiveness.

H₁₂: Integrated performance measurement systems have a significant relationship with organizational competitiveness.

Table 4.2.2: Hypothesis Two Test (Performance Measurement vs Competitiveness)

Company	System Applied	Key Outcome (2018–23)	Observation
GTCO Plc	Balanced Scorecard	Cost-to-income ratio dropped from 37.1% to 29.1%; PBT ₦609bn	Positive
MTN Nigeria Plc	Balanced Scorecard + KPIs	Subscribers rose from 58.2m to 77.1m; PAT ₦553bn	Positive

Decision: Both sampled companies that adopted BSC experienced sustained competitiveness. Therefore, the null hypothesis is **rejected**.

Conclusion: Integrated performance measurement systems significantly enhance competitiveness in Nigerian firms.

Hypothesis Three

H₀₃: Strategic management accounting practices do not significantly contribute to organizational competitiveness.

H₁₃: Strategic management accounting practices significantly contribute to organizational competitiveness.

Table 4.2.3: Hypothesis Three Test (SMA Practices vs Competitiveness)

Company	SMA Tool Applied	Competitiveness Outcome	Observation
Dangote Cement Plc	Benchmarking, forecasts	rolling Maintained 52.9% market share in 2023	Positive
GTCO Plc	Diversification, budgeting	beyond Non-interest income rose from ₦110bn to ₦356bn	Positive
Nestlé Nigeria Plc	Product channel analysis	innovation, Sustained market leadership despite FX loss	Positive

Decision: All firms demonstrated competitiveness through SMA practices. Hence, the null hypothesis is **rejected**.

Conclusion: Strategic management accounting practices significantly contribute to competitiveness in Nigerian companies.

4.3 Discussion of findings

The analysis of secondary data from Dangote Cement Plc, GTCO, MTN Nigeria, Nigerian Breweries Plc, and Nestlé Nigeria Plc highlights how Management Accounting Innovations (MAIs) drive competitiveness in Nigeria.

Advanced Costing Innovations: Firms applying activity-based costing, target costing, and value-chain costing achieved greater cost accuracy, reduced waste, and higher profitability. For example, Nestlé and Nigerian Breweries used target costing to align product pricing with consumer purchasing power, consistent with prior Nigerian studies linking advanced costing to stronger cost discipline and firm value.

Integrated Performance Measurement: Financial institutions such as GTCO and telecom operators like MTN adopted the Balanced Scorecard (BSC) to align strategies with outcomes. GTCO's cost-to-income ratio dropped from 37.1% in 2018 to 29.1% in 2023, reflecting improved efficiency, supporting earlier evidence that BSC enhances bank performance.

Strategic Management Accounting and Budgeting: Dangote Cement and GTCO employed strategic management accounting and beyond budgeting practices, boosting flexibility and responsiveness, in line with research emphasizing SMA's role in long-term decision-making.

Sectoral Differences: Banks and telecoms lead in MAI adoption, while many manufacturing firms rely on hybrid systems. SMEs lag further due to financial and expertise barriers.

Macroeconomic Shocks: Despite MAI adoption, inflation, exchange rate volatility, and high interest rates weakened performance in 2023, particularly for Nigerian Breweries and Nestlé. This underscores the moderating effect of Nigeria's challenging macroeconomic environment.

In summary, MAIs significantly enhance organizational competitiveness, but their effectiveness is shaped by industry characteristics and external economic conditions.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

Management Accounting Innovations (MAIs) and Organizational Competitiveness: A cursory look

This study investigated the role of Management Accounting Innovations (MAIs) in enhancing organizational competitiveness in Nigeria, using secondary data from five leading firms—Dangote Cement Plc, GTCO, MTN Nigeria Plc, Nigerian Breweries Plc, and Nestlé Nigeria Plc. It also reviewed 40 empirical studies conducted by Nigerian researchers.

The specific Objectives where to:

1. Examine the effect of advanced costing innovations on competitiveness.
2. Assess the relationship between integrated performance measurement systems and competitiveness.
3. Evaluate the contribution of strategic management accounting practices to competitiveness.

Findings of the research are as follows:

1. **Advanced Costing Innovations:** Tools such as activity-based costing, target costing, and life-cycle costing improved cost accuracy, resource utilization, and profitability. Firms like Nestlé and Dangote Cement, which consistently applied these tools, reported stronger financial outcomes compared to those relying on traditional costing methods.
2. **Integrated Performance Measurement Systems:** GTCO and MTN Nigeria, which adopted the Balanced Scorecard (BSC), achieved superior customer orientation, innovation, and financial stability. This demonstrates that multidimensional frameworks enhance competitiveness beyond profit measurement.
3. **Strategic Management Accounting (SMA):** Innovations like rolling forecasts and beyond budgeting improved adaptability in volatile environments. GTCO's declining cost-to-income ratio between 2018–2023 illustrates SMA's value in sustaining competitiveness.
4. **Sectoral Variations:** Banks and telecoms showed higher MAI adoption than manufacturing firms and SMEs, where high costs and limited expertise restricted implementation.
5. **Macroeconomic Shocks:** Despite MAI adoption, firms such as Nigerian Breweries and Nestlé recorded 2023 losses due to inflation and FX volatility. This highlights that external factors can erode MAI benefits.

5.2 Conclusion:

MAIs significantly influence organizational competitiveness in Nigeria. Firms adopting advanced costing, integrated performance measurement, and SMA practices achieved stronger cost control, efficiency, and alignment. However, their benefits are moderated by macroeconomic instability and sector-specific constraints. Thus, while MAIs strengthen internal competitiveness, they must be complemented with external risk management and supportive government policies.

5.3 Recommendations:

1. **Manufacturing Firms (Nestlé, Dangote Cement, Nigerian Breweries):** Broaden adoption of target costing, Kaizen costing, and life-cycle costing to reduce waste and enhance efficiency.
2. **Financial Institutions (GTCO):** Expand Balanced Scorecard and SMA practices, incorporating predictive analytics and digital dashboards for improved decision-making and customer focus.
3. **Telecom Firms (MTN Nigeria):** Enhance the use of non-financial indicators—customer satisfaction, network quality, innovation index—alongside financial metrics.
4. **SMEs:** Professional bodies and government should provide training, subsidies, and technical support to ease adoption of simplified MAIs.
5. **Policymakers:** Promote macroeconomic stability by addressing inflation, exchange rate volatility, and infrastructure challenges to protect MAI-driven gains.

5.4 Contributions to Knowledge

1. Offers empirical evidence from five leading Nigerian firms linking MAIs to competitiveness.
2. Synthesizes findings from 40 studies, giving a national perspective on MAI adoption.
3. Reveals that macroeconomic factors moderate the benefits of MAIs.
4. Strengthens the theoretical link between Contingency Theory and MAIs, confirming that size, sector, and environment shape adoption.

5.5 Suggestions for Further Studies:

1. Conduct longitudinal studies (10–15 years) to capture long-term MAI impacts.
2. Explore under-researched industries such as oil & gas, fintech, agriculture, and construction.
3. Investigate barriers to MAI adoption in SMEs and family-owned businesses.
4. Carry out cross-country studies comparing Nigeria with other African economies.
5. Examine digitalization of MAIs AI-driven costing, big data analytics, and cloud-based systems as emerging drivers of competitiveness.

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