

MANAGEMENT ACCOUNTING CURRICULUM AND CONTEMPORARY BUSINESS ENVIRONMENT: A STUDY OF SELECTED TERTIARY INSTITUTIONS IN NIGERIA

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Abstract

The design of management accounting curriculum is a major factor that has affected the caliber of management accountants in Nigeria today, this is because most of the existing management accountants do not possess the skills needed to survive in today's competitive business environment. This study focus on Management accounting Curriculum and Contemporary business environment. It is based on Primary data obtained from distribution of questionnaire. The Study considers two variables which are Management accounting curriculum and contemporary business environment, which were represented by management accounting subjects and management accounting skills respectively. The results of Regression analysis, shows that management accounting subjects has significant relationship with management accounting skills, Based on this finding, the study recommends that management of University in Nigeria should regularly review management accounting curriculum so that future management accountant will be able to compete favorably with their counterpart worldwide.

Keywords: Management accounting curriculum, Management accounting, accountants, reports

INTRODUCTION

Accountants are the heart of most businesses, because they serve as the still, small voice, which ensures professional judgment, independence and objectivity is adopted in every financial transactions of an organization. Every year, professional organizations (e.g. Chartered Institute of Management Accountant – CIMA,2009) reviews its members performance to guarantee they maintain the required ethics of management accounting profession and also to ensure that defaulting members are disciplined or sanction. Furthermore, this association (i.e. CIMA) has continuously reviewed and provided guidance on the nature of decision taken by both prospective and existing management accountants, because it believes that any wrongly suggested opinion, might eventually affect the going concern of organization around the world. Management Accounting can be described as a process that involves the preparation of management reports, used in providing detail budgetary and factual data required by managers to make day to day decisions.(CIMA, 2009).The Institute of Management Accountants in its first issued Statement of Management Accounting (SMA) in 1981 characterizes Management Accounting as a profession that involves sharing idea related to management decision making, planning and execution of management frameworks, and providing skill in financial reporting and control to help mangers in the planning and usage of an management overall strategy. It therefore, means that, the definition of management accounting profession has many purposes. It can serve as a reason for educating the psychological parts of the subject and for assessing the behavioral characteristic of the profession's members. The definition can likewise help explain the place of the profession in the public perspective now and in the future. The customary part of management accountant as information suppliers is often portrayed and translated as being focused on the lower end of the value chain. The aftereffects of the exploration by the IMA (The Institute of Management Accountants) and the move to enhance strategic partnership show that the part of management accountants must cut across various discipline, and it must incorporate the highest level of participation of key strategic managers who must be part of the organization's management leadership team.

Statement of the Problem

The Accounting department of most higher institution in Nigeria tends to emphasize traditional topics in their management accounting syllabus, this has made most management accounting student to be unable to compete with their counterpart around the world. In fact, according to (NasAhadiat, 2008) this problem has made most management accountants very inefficient and unable to cope with present day reality in work environment. The problem of this study is to

determine if all the changes in the management accounting syllabus of most higher institution in Nigeria can help to reduce these challenges.

Research Objectives

The main objectives of this study is to examine management accounting curriculum in contemporary business environment, while the specific objective involves

- to ascertain if management accountant's skills have relationship with management accounting subjects in the Selected Nigerian Universities

Research Questions

Does Management accountant's skills does have relationship with management accounting subjects in the Selected Nigerian Universities?

Research Hypothesis

Management accountant's skills does not have relationship with management accounting subjects in the Selected Nigerian Universities.

Significance of the Study

The study will contribute to general body of knowledge by way of outlining the benefit and cost associated with the adoption of a dynamic Management accounting curriculum across various universities in Nigeria, it will also guide in designing an improved management accounting curriculum that can will significantly improve the skills of Management accountants in Nigerian competitive business environment. The study is also important because it will enhance accounting educators and curriculum writers to include practical issues in the management accounting curriculum, and ensure rigorous deliberation is made, before agreeing, on the standard management accounting curriculum to be adopted in Nigerian Universities.

LITERATURE REVIEW

Conceptual Review

Management Accounting as a Profession

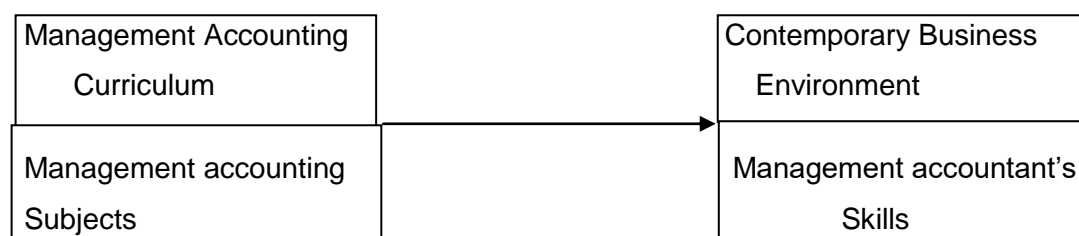
The professional status of most management accountants has always been in dispute. According to McMillan (1998), management accountant have survive through the ages despite changes in the environment because, they adhere to some professional ethics. In terms of the statement by McMillan (1998) above, it is evident that, over the years, it is the professional

affiliation associated with the management accounting school, that has made the contribution of management accountants more relevant and useful in today's business world

Historical Perspective of Management Accounting

The (International Federation of Accountants, 1998) describes management accounting before 1950 as a technical activity usually required for the pursuit of organizational objectives. It was predominantly focused on the determination of product cost. In this period Production technology was relatively simple, with products going through a series of dissimilar processes. Labor and material costs were simply identifiable and the manufacturing processes were mainly governed by the enthusiasm of manual operations. Therefore, direct labor provided a natural basis for distributing overheads to individual products. The spotlight on product costs was supplemented by budgets and the financial control of production processes. Furthermore, according to (Chandler, 1977), management accounting systems (MAS) first appeared in the United States during the nineteenth century. These MAS adopted both simple and complicated accounting methods. Cost accounts were used to determine the direct labor and overhead costs of transforming raw materials into goods. The use of sophisticated accounting procedures also dates back to the nineteenth century. As early as the first quarter of the nineteenth century, according to (Porter, 1980), some companies in the USA used sophisticated sets of cost accounts. New accounting systems were intended to control and record the disbursements of cash during this period, which provided management with timely and accurate reports on expenditures.

Figure 1. Conceptual Framework Diagram



Theoretical Review

Complexity Theory

According to Urry (2005) this theory suggest that social sciences began to go complex from late 1990. He further argues that the increasing complexity of products, processes and organizations is linked to the proliferation of computerized networks around the globe, forming and reforming

themselves in new ways and which has made everything to be easily connected to with one another'. As technological devices flood daily life (and complexity theory has one of its roots in computation theory) it would be surprising if complexity theory is not mentioned in a discussion of school curricula. Morrison (2005) asserts that schools system are generally complex in nature, and a major characteristic of a complex phenomena systems is that they have to learn, adapt and change in order to survive. Another study conducted by Fullan (1999) affirms that change can also equals learning, and that learning is a central element in school organization. He further stated that for educational system to survive the complexity in curriculum design, they must prepare to become 'learning organization' so that they can deal with the complexity of the change process. Bar-Yam(2000) show that rapid changes in, and increased complexity of, today's world present new challenges and put new demands on education systems. The importance of having a right focus of change is a key to improving schools and increasing student achievement (Marzano, 2003).

Empirical Review

Challenges in Teaching Management Accounting

Thein (2006) however, notes that management accounting as a course is often regarded as one of the toughest subjects, for students in business schools. The authors' teaching experience also buttresses this point, revealing that the pass rates recorded in many management accounting examinations are often lower than in other business and accounting courses. This trend seems to suggest that students are not effectively learning management accounting to be able to add value to the organizations where they would be engaged. Thein (2006) offers a number of reasons for this —toughnessll, which include among others too tight curriculum and non-motivating pedagogy. Richardson (2003) also argues that in many universities, professors offer the same subject using the same pedagogy as they have for the past twenty years, without further thought to their relevance in the contemporary business climate.

Managing problem of Management Accounting Curriculum in Higher Institution

Many researchers have written about various approaches that can be used to revamping management accounting curriculum. According to Burns' (1968) one of the best approaches to solving management accounting curriculum problem is to review what has been done in similar courses at either one's own institution or other universities. Palmer (2005) (as cited in Hanno, 1999) stated that to revamp management accounting curriculum, it is important that there is continual discussions/seminar about teaching of management accounting courses and management of the institution should also promote an environment where good teaching can

flourish. His studies also observes, that there is absent in many environment, because most faculty in higher institution often ignore the need to develop and continually train their management accounting lecturers. He also suggested that knowing what takes place in other parts of the world may help in improving systems of educating management accounting students.

METHODOLOGY

The research design used for this research work was survey research design, which involves distributing of one hundred (100) questionnaire to various respondents in some selected universities. The distribution of the questionnaire was done base on Non-random Sampling (i.e. Purposive Sampling), which implies it was done base on researchers judgment. The variables considered in this study include management accounting curriculum and management accountant's skills which were represented by management accounting subjects, and Management accountant's skill while the Statistical analysis was done using regression analyses.

ANALYSIS AND FINDINGS

Hypothesis Testing and Interpretation

Decision Rule: Accept Null hypothesis if the P-Value obtained using SPSS is greater than the critical value of 5% specified in SPSS for this analysis. But, if, otherwise, and accept the Alternate Hypothesis.

Ho: Management accountant's skills does not have relationship with management accounting subjects in the Selected Nigerian Universities.

Table 1. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .951 | 0.904 | .049 | 4.08164 |

Model Testing and Interpretation

The model summary above explains the percentage of the dependent variable (i.e. management accountant's skill) that can be determined by the independent variable (i.e. management accounting subject). According to this Table, the value of the R square is 90% (i.e. 0.904), this implies that 90% of the variation in the dependent variable can be accounted for by

the independent variable, while the remaining 10% can be explained by other factors outside the scope of this model.

Table 2. ANOVA

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|------------|----------------|----|-------------|-------|-------------------|
| Regression | 58.539 | 1 | 58.511 | 3.513 | .003 ^a |
| Residual | 799.668 | 30 | 16.110 | | |
| Total | 858.207 | 31 | | | |

The study also conducted ANOVA (i.e. analysis of variance) to determine the extent of relationship between the Independent and dependent variable and the result established that p-value, which is 0.002 in the table, is lower than the fixed level of significance or alpha level of 0.05 used specified in SPSS for this analysis, therefore according to the decision rule, in these type of case the Alternate hypothesis is accepted and while the Null hypothesis is rejected. This implies that there is a strong relationship between Management accountant's skills has and management accounting subjects in the selected Nigerian Universities..

Table 3. Regression analysis

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|--------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.539 | .792 | | 1.941 | .002 |
| | Management accounting Subjects | 8.6198 | .001 | .261 | 1.876 | .003 |

Multiple Regression analysis was also conducted to determine if the result established by ANOVA Statistic can be relied upon to determine the extent of relationship between the dependent and independent variable. The result shows that the p-value, which is 0.003 is also lower than the critical value 5% specified in SPSS for this analysis, therefore, it can be inferred from this result, that the ANOVA Statistic is correct. Thus, according to the decision rule above, in this kind of situation, the Alternate Hypothesis will be accepted while the Null Hypothesis will be rejected, which confirms that Management accountant's skills has significant relationship with management accounting subject in the selected Nigerian Universities.

DISCUSSION AND CONCLUSION

The statistical findings of this study emphasized that management accountant's skills have significant relationship with management accounting courses. These was confirmed by result of the empirical analysis which establish p-value of 0.003 obtained using regression analysis was lower than the critical value of 0.05 specified in SPSS for this analysis. This also means that practical aspect of management accounting subject need to be included in the management accounting curriculum, so as to help management accountant's develop competitive and highly required skills

Based on the statistical analysis and the literature reviewed, the study concludes that management accounting skills has statistical significant relationship with management accounting subjects taught in Nigerian Universities, this is because the result of the regression analysis shows that there is significant relationship that the P-value obtained(i.e. 0.003) was lower than the significance value of 5% specified in SPSS for this analysis.

RECOMMENDATIONS

The study recommends based on the conclusion above that management of Nigerian Universities needs to collaborate with other curriculum setting bodies within and outside Nigeria to ensure that management accounting subjects contained in the syllabus of Nigerian universities contribute to the development of the requisite skill needed in Building a confident and reliant management accountant who is able to survive in today's competitive business environment.

CONTRIBUTION TO KNOWLEDGE

This study contributed to knowledge by establishing that management accountant's skills have significant relationship with management accounting subjects. These was established by result of the statistical analysis which indicated that p-value of 0.003 obtained using regression analysis was lower than the critical value of 0.05 specified in SPSS for this analysis

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