FINANCIAL ACCOUNTING INFORMATION AND STRATEGIC MANAGEMENT IN NIGERIAN UNIVERSITIES

AMAHI, Fidelis U.
Department of Accounting and Finance
University of Delta, Agbor

Abstract
This study ascertains financial accounting information and strategic management in Nigerian universities. Data were collected from (118) respondents. The data were presented with descriptive; Spearman rank correlation was used to determine the relationship between the variables and as well used to test the null hypotheses. The findings revealed a significant relationship between variables. The study, therefore, concludes that there is a significant relationship between financial accounting information and strategic management. Rooted in the study's findings, the researchers thus recommended that: Universities that seek to enjoy effective and efficient strategic management should ensure timely and reliable financial accounting information. Universities that seek to enhance their strategic performance through proper management should identify, present and interpret information used for strategies.

Keywords*:* Financial Accounting Information, Strategic Management, Nigerian Universities

Introduction

Accounting information provides financial information about an organization to internal and external users, such as managers, investors, and others. It is not only necessary for the evaluation of the past and keeping present on the course, but it is also useful in planning, formulation, implementation, evaluation, and control of the future course for the organization. Accounting has been defined in so many ways by different people: Drury (2015) sees accounting as a language that communicates financial information to people who have an interest in an organization i.e. managers, shareholders, potential investors, employees, creditors, and government. Drury added that the objective of accounting is to provide sufficient information to meet the needs of the various users at the lowest possible cost.

According to Eneje (2016), accounting is a process of measuring, recording, classifying, summarizing, and communicating financial information that is used in making an economic decision to interested persons or parties. Generally, the use of financial accounting information for strategic management in Nigerian Universities may be viewed as a routine system in determining the efficient management of the Institutions. The problem however lies in the quality and validity of the information, that is, if it's timely, adequate, and clear. Notwithstanding the immense benefit of the use of accounting information, it is generally acknowledged (Otite & Onome, 2021) that most unqualified accountants generate inaccurate information and which results in the failure of an organization to achieve desired goals. There are cases of managers refusing the use of accounting information because of their inability to interpret such data, therefore making the organization remain at “status quo ante” (Olaitan 2018).

The efficiency of information in decision-making may not be isolated from the availability and sufficiency of accounting information, if the organization must survive, grow and operate maximally to attain its set objectives (Otite & Onome, 2021). The problem confronting this research is to investigate the use of financial accounting information for strategic management in Nigerian Universities. In other words, this study is therefore designed to investigate how useful accounting information is for senior managers in Nigerian Universities in performing their strategic management responsibilities.

LITERATURE REVIEW

Theoretical Foundation

There are different theories on accounting information, but, this study builds on the following theories:

Events approach Theory: The events approach was developed in 1969 by George Sorter and was defined as 'providing information about relevant economic events that might be useful in a variety of decision models. The events approach as asserted by Digu (2020) leaves the user to aggregate and assign weights and values to the event for which the accountant would only provide information on the economic event to the user; he would not assume a decision model. Thus, for example, the event approach income statement would not indicate financial performance in a period but would communicate events that occurred during the period without any attempt to determine a bottom line (Digu, 2020).

Behavioral approach Theory: The behavioral approach attempts to take into account human behavior as it relates to decision-making in accounting. Devine (1960) stated the following: On balance, it seems fair to conclude that accountants seem to have waded through their relationships to the intricate psychological network of human activity with a heavy-handed crudity that is beyond belief. Some degree of crudity according to Victor and Ogbevire (2021) may be excused in a new discipline, but failure to recognize that much of what passes as accounting theory is hopelessly entwined with unsupported behavior assumptions is unforgivable. This to us seems a fair comment given that financial reporting is about communicating information to users to enable them to make decisions, a lack of consideration of how that information influences their behavior is indeed unforgivable (Digu, 2020). Studies in this area have tended to concentrate on; the adequacy of disclosure, the usefulness of financial statement data, the attitudes about corporate reporting practices the materiality judgments, and the decision effects of alternative accounting practices (Victor & Ogbevire, 2021).

Financial Accounting Information

According to Robert and Abbie (2013), financial accounting information is the product of corporate accounting and external reporting systems that measure and routinely disclose audited, quantitative data concerning the financial position and performance of publicly held firms. Audited balance sheets, income statements, and cash-flow statements, along with supporting disclosures, form the foundation of the firm-specific information set available to investors and regulators. As noted by scholars (Olaitan, 2018; Jensen, 2016) developing and maintaining a sophisticated financial disclosure regime is not cheap, which is why countries with highly developed securities markets devote substantial resources to producing and regulating the use of extensive accounting and disclosure rules that publicly traded firms must follow. Resources expended are not only financial, but also include opportunity costs associated with the deployment of highly educated human capital, including accountants, lawyers, academicians, and politicians (Robert & Abbie, 2013).

Financial accounting involves recording and classifying business transactions and preparing and presenting financial statements to be used by internal and external users (Olaitan 2018). In the preparation of financial statements, strict compliance with generally accepted accounting principles (GAAP) is observed. According to Jensen (2016), financial accounting information supplies a key quantitative representation of individual corporations that supports a wide range of contractual relationships. Similarly, financial accounting information as observed by Robert and Abbie (2013) enhances the information environment more generally by discipline, the unaudited disclosure of managers, and supplier input into the information processing activities of outsiders. The quality of financial disclosure can impact firms' cash flows directly, in addition to influencing the cost of capital at which the cash flow is discounted (Olaitan, 2018).

Concept of Strategic Management

Strategic management has now evolved to the point that its primary value is in helping the organization operate successfully in a dynamic and complex environment (Gebelein, 2013). Strategic or institutional management is the conduct of drafting, implementing, and evaluating cross-functional decisions that will enable an organization to achieve its long-term objectives (Otite & Onome, 2021). It is the process of specifying the organization's mission, vision, and objectives, developing policies and plans, often in terms of projects and programs, which are designed to achieve these objectives, and then allocating resources to implement the policies and plans, projects and programs (Arieu, 2017).

Strategic management is a level of managerial activity under setting goals and tactics that provides overall direction to the enterprise and is closely related to the field of organization studies (Gebelein, 2013; Arieu, 2017). According to Arieu, (2017), "There is strategic consistency when the actions of an organization are consistent with the expectations of management, and these, in turn, are with the market and the context." Strategic management is an ongoing process that evaluates and controls the business (Otite & Onome, 2021) and the industries in which the organization is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly (i.e., regularly) to determine how it has been implemented and whether it has succeeded or need replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment, or a new social, financial, or political environment (Lamb, 2014). Strategic management is defined as the set of decisions and actions taken in the formulation and implementation of strategies designed to achieve the objectives of an organization (Aghedo, 2019).

Financial Accounting Information and Strategic Management

Accounting and financial information are among the most important information widely used in managerial decisions (Royale, et al., 2012). Within contemporary economic conditions, a successful manager needs a lot of reliable accounting information to be able to make quality business decisions (Ullah, et al., 2014). Economical information especially financial and accounting ones are the information which always managers use in short term and strategic decisions and it may have the most application among different variables effective in decision-making and in all types of decisions (Royale, et al., 2012; Ullah, et al., 2014). Based on the foregoing, the study hypothesized that;

Ho1: There is no significant relationship between financial accounting information and strategy management in Nigerian universities.

Methodology

This study aimed to determine the relationship between financial accounting information and strategic management. The study adopted a descriptive research design; the universities in Nigeria constitute the population of the study. In determining the sample size for this study, we adopted the Krejice & Morgan (1970) table for determining sample size. Therefore, the sample size for this study comprises one hundred and eight (118) universities in Nigeria. The bursar of each of the universities makes up the respondents for the study.

Questionnaires were utilized as the instrument of primary data collection; and respondents were required to tick from 1-5 on a Likert scale, where 1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree. To justify the instrument of this study, a comprehensive reliability test was carried out. Cronbach's alpha reliability, which exhibits how fitly entries in a set are positively related to one another, was used, with a threshold of 0.8 set by Nunnally (1978); while the opinion of scholars and practitioners with relevant experience on the study constructs was used to validate the instrument. Table 1 below displays the summary of the test of reliability.

Table1. Result of Reliability Analysis

Variable	Cronbach's Alpha
Financial Accounting Information	0.857
Strategic Management	0.910

Source: SPSS 20.0 Output (based on 2023 field survey data)

It is expected that given the same background, the same results would be achieved if the questionnaire is re-distributed to the same, or distributed to a different set of respondents. This demonstrates the reliability of the research instrument and the integrity of the data obtained. Spearman's rank order correlation was used as the test statistic to ascertain the extent and direction of association between the variables. All the statistical analyses were done with the aid of SPSS version 20.0.

The key to the interpretation of the strength of the relationship between the variables of the study considered appropriate is the categorization set by Dunn (2001). The interpretation process was subject to a 0.01 (two-tail) level of significance. Positive sign connote a positive relationship, while negative sign means a negative relationship.

Table 2: Range of Values and Degree of Relationship

Range of r values	*Degree of relationship of r*
± 0.80 to 1.00	Very strong
± 0.60 to 0.79	Strong
± 0.40 to 0.59	Moderate
± 0.20 to 0.39	Weak
± 0.00 to 0.19	Very weak

Source: Adopted from Dunn (2001) degree of relationship categorization

RESULT

Table 3: Questionnaire Distribution

Numbers	Questionnaire	Percentage (%)
No. Sent out	118	100%
No. Returned	71	60.0%
No. Not Returned	47	40.0%

Source: field survey, 2023.

Questionnaires were given to one hundred and eighteen (118) respondents representing (100%). Seventy-one (71) of the said sums of questionnaires were filled and successfully returned representing (60%) while forty-seven (47) of the said sums were not returned also representing (40%). It must be stated that the analysis is based on the seventy-one (71) returned questionnaires from the respondents of the study.

Table 4: Descriptive Statistics of the Variables

	Financial Accounting Information	Strategic Management
N. Valid	71	71
Missing	0	0
Mean	4.0986	3.5931
Std. Deviation	1.07407	1.13170
Sum	5.17267	4.7278

Source: SPSS 20.0 Output (based on 2023 field survey data)

The above information in Table 4 is showing the descriptive statistics of the components of the independent variable (Financial Accounting Information) and the dependent variable (Strategic Management). As revealed in Table 4 above, Financial Accounting Information had a mean of (4.0986) and a standard deviation of (1.07407) while Strategic Management had a mean (of 3.5931) and a standard deviation of (1.13170).

The mean values of all the variables were greater than 3; this implies that the required average of a five-point Likert scale is 1+2+3+4+5 =15 which if divided by 5 will give us 3. The researchers consequently upheld the study variables.

Table 5: Correlation Analysis of Financial Accounting Information and Strategic Management
Correlations

			Financial Accounting Information	Strategic Management
Spearman's rho	Financial Accounting Information	Correlation Coefficient	1.000	.704**
		Sig. (2-tailed)	.	.000
		N	71	71
	Strategic Management	Correlation Coefficient	.704**	1.000
		Sig. (2-tailed)	.000	.
		N	71	71

**. Correlation is significant at the 0.01 level (2-tailed).
Source: SPSS 20.0 Output (based on 2023 field survey data)

Table 5 above reveals the correlation analysis between financial accounting information and strategic management. The table revealed that the correlation coefficient on the relationship between financial accounting information and strategic management is 704** based on the categorization in Table 2, the r-value indicates a strong positive relationship between financial accounting information and strategic management. The correlation coefficient denotes a strong positive relationship exists between the variables which are invariable means that, improved strategic management is a function of timely and reliable financial accounting information.

Test of Hypothesis 1

Ho1: There is no significant relationship between financial accounting information and strategic management in Nigerian universities.

As explained in Table 5, the significant/probability value is 0.00; this value is less than a 0.05 level of significance, the researchers, therefore, reject the null hypothesis and accept a significant relationship between financial accounting information and strategic management in Nigerian universities.

Discussion

The analyzed data and tested hypotheses revealed a significant relationship between financial accounting information and strategic management. This finding validates some scholars' assertion that accounting information helps managers understand their tasks more clearly and reduces uncertainty before making their decisions (Ullah, et al., 2014). Accounting is sometimes referred to as a means to an end, with the ending being the decision that is helped by the availability of accounting information. Accounting systems can aid in decisions making providing information relevant to the decision and the decision-maker. Effective and efficient accounting information plays a central role in strategic management decisions (Ullah, et al., 2014).

Conclusion and Recommendations

The study, therefore, concludes that there is a significant relationship between financial accounting information and strategic management. Rooted in the study's findings, the researchers thus recommended that: Universities that seek to enjoy effective and efficient strategic management should ensure timely and reliable financial accounting information. Universities that seek to enhance their strategic performance through proper management should identify, present and interpret information used for strategies.

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