



**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM**

**THE ROLE OF MANAGEMENT ACCOUNTING INFORMATION IN
ENHANCING DECISION MAKING AT DASHEN BANK**

BY

ASCHALEW SIRANI (SGS/0072/2012A)

ADDIS ABABA, ETHIOPIA

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ASCHALEW SIRANI

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY COLLEGE,
SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS
IN BUSINESS ADMINISTRATION**

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DECLARATION

I, Aschalew serani declare that this work entitled “The Role of Management Accounting Enhancing Decision- Making in Dashen Bank.” is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor Abraraw Chane (PHD). This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of MA in Business Administration [MBA].

Declared by:

Name ASCHALEW SERANI

Sign_____

Date_____

Confirmed by Advisor:

Name DR.ABRARAW CHANE

Sign_____

Date_____

February , 2022

ADDIS ABABA, ETHIOPIA

ST. MARY’S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION
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BY

ASCHALEW SIRANI SGS/0072/2012A

APPROVED BY BOARD OF EXAMINERS

Dean, School Graduate Studies

Signature

Advisor

DR.ABRARAW CHANE

Signature

Name of examiner

Signature

Name of examiner

Signature

ENDORSEMENT

This thesis entitled, “The Role of Management Accounting Enhancing Decision-Making in Dashen Bank.”, has been submitted to St. Mary University, School of Graduate Studies for examination with my approval as a University advisor

Research Advisor: DR.ABRARAW CHANE

Signature _____

Date _____

ST. MARY’S UNIVERSITY

ADDIS ABABA

February 2022

CERTIFICATION

This is to certify that ASCHALEW SERANI BONISHI has done the study on the topic, The Role of Management Accounting Enhancing Decision- Making in the case of Dashen Bank. This study is authentic and has not been done before by any other researcher on the same topic.

DR.ABRARAW CHANE

Advisor's Name

Signature & Date

February , 2022

ADDIS ABABA, ETHIOPIA

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Acronyms

ABCM	Activities Based Cost Management
AMAT	Advanced Management Accounting Techniques
CVP	Cost Volume-Profit
IRR	Internal Rate of Return
MAS	Management Accounting System
METEC	Metals and Engineering Corporation
NPV	Net Present Value
SPSS	Statistic Package for Social Science
TMAT	Traditional Management Accounting Techniques

ABSTRACT

The purpose of this thesis is to assess the role of managerial accounting in enhancing decision-making in Dashen Bank. The study adopted a descriptive research type and quantitative research approach in assessing the role of managerial accounting in enhancing decision-making. The selections of the sample respondents were made using haphazard or convenience sampling techniques. In addition to this , the study relied mostly on primary data sources where a self-administered questionnaire was utilized as a source of data. Then the gathered data was coded and entered into Statistical Packages for Social Scientists (SPSS Version 21.0). The study found that managers use management accounting information in the strategic and tactical decisions of the bank and the study concluded that the bank extensively uses management accounting information in the strategic and tactical decision and key techniques like cost accounting, financial reports, CVP analysis, budgeting, variance analysis, and management reports were adopted in the decision-making process. Finally ,the study recommends Since there are undeniable amount of respondents which were neutral to statements regarding management accounting information and system, the bank should provide training and technical support.

Keywords: Management Accounting Techniques, Management Accounting Information, Decision Making, Dashen Bank

CHAPTER ONE

INTRODUCTION

This chapter introduces Background of the study ,Statement of the Problem, Research Questions, Objectives of the Study, Significance of the Study, Scope of the Study, limitation of the study, definitions of key term

1.1 Background of the Study

Banks in Ethiopia are an important source of financing for most businesses and organizations. Banks have to make decisions for various purposes. The decisions are usually made by managers as part of their jobs.

The role of management accounting for decision making is Management accountants are insiders who create internal analyses to guide the overall business strategy. By definition, their job is to prepare internal financial reports, records, and accounts to aid managers' decision-making process in achieving short and long-term business goals. Management uses both financial and non-financial information to make effective decisions that would help achieve the goals and objectives of the organization (Melissa Bushman, 2007). Financial information used by management accountants include sale growth, profits, return on capital employed and market shares, non-market shares, non-financial information include customer satisfaction level, production quality, performance of competing products and customer loyalty. Decision making is however, the choosing of alternative courses of action using cognitive processes. Making decision is necessary when there is no one clear course of action to follow. Accounting systems can aid decision making by providing information relevant to the decision and to the decision makers. Accounting systems provides a check for the validity through the process of auditing and accountability (Gray et al., 2006). Effective and efficient accounting information plays a central role in management decision making.

Financial accounting informations: help managers know what happened in the past and which is the present situation of the company; make visible those events that are not perceptible by daily activities; provide a quantitative overview of the company; help managers prepare for future activities and decisions. Accounting Information is aimed at ensuring a maximum amount of

information is available to the users that will enable them take meaningful decision regarding their interest in a reporting entity.

I have decided to take a holistic look into the accounting procedure and processes involved in generating accounting information in the dashen bank of Addis Ababa head office and other 6 branch of the bank and the roles these accounting information play in the respective decision of the Bank.

Accounting information is a tool to enhance decision making in all human endeavors. It plays a key role in management, management function and management processes. Organizations cannot achieve their optimum output, wealth creation and wealth maximization without effective decision making tool.

Role and importance of managerial accounting into banking sector Making correct and managerial decision is possible in case of assurance managers, heads of departments and management of dashen bank with the operative and truthful information about the activity of the financial institutions. That's why, introducing the managerial accounting and the reports activity will give the possibility to obtain the information's on the all managerial levels. One simple definition of management accounting, says Burns, Quinn, Warren & Oliveira (2013) is the provision of financial and non-financial decision-making information to managers. According to the Institute of Management Accountants (IMA): "Management accounting is a profession that involves partnering in management decision making, devising planning and performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization's strategy" (Institute of Management Accountants.

One of the biggest challenges for management accountants nowadays is the preparation to face globalization in local and global market. Globalization, intense competition, changing governmental regulation and innovation in technology led to changes in market environment which have greater impact to an organization.

The rapid changing of the business environment lately is significant. It will change the management accounting practices in an organization. In a very competitive business market, information is the most important factor to survive. One of the information needed is

management accounting information. The primary purpose of management accounting in the organization is to help management doing their function by collecting, processing, and communicating information by providing information. Hilton and Platt (2011) stated that management accounting is the process of identifying, measuring, analyzing, interpreting, and communicating information in pursuit of the organization's goals. Mahfar and Omar (2004) stated that management accounting form an integral part of the management process in an organization, where it provides essential information to the business in its planning, evaluating, controlling, and decision-making process.

A management accounting system (MAS) is the organization's major source of the necessary information in managerial decision-making. That is why the degree of its development and the role it plays in the decision-making process is crucial.

Economic activity can be conducted correctly if the decision, the implementation, and the control of the execution are based on operative, accurate and complete information. In this context, on the one hand, we need accounting management in order to provide the necessary information but also accounting serves the needs of the manager. (Iacob and Karim, 2013).

The major task of management accounting is to provide information to the management, enabling control over the activities, thus assisting in the decision making, management accounting being the one that „makes life easier in capitalism, being destined to serve one's need for information" (Diaconu, 2002: 15). Moreover , the primary role of management accounting in the decision-making process is to provide relevant information to the managers who make the decisions. Production managers typically make the decisions about alternative production processes and schedules, marketing managers make pricing decisions, and specialists in finance usually are involved in decisions about major acquisitions of equipment. All of these managers require information pertinent to their decisions. Management accounting plays a huge role by providing information relevant to the decisions faced by managers throughout the organization. Management accounting is concerned with gathering and reporting internal financial information to facilitate the decision-making process. As management accounting is not required to conform to national accounting standards, it allows businesses to customize the management accounting techniques as per the demand of the company. As a process of this customization, some advanced quantitative as well as a number of qualitative techniques accompany the traditional

techniques, have been emerged to cater to the information need in decision making (Yeshmin and Hossan, 2011).

1.2 Statement of the Problem

For an organization to survive in the competitive, ever-changing world, it must put in place sound management accounting practice. In order to circumvent financial disasters through wrong and ineffective decisions, there is nowadays a vast pool of financial tools available which can be used to support the decisionmaking process. Nevertheless accounting tools applied vary from organisation to organisation. One tool that proved to be very effective in one organisation, might fail in another. Different information are required for these diverse purposes, therefore organizations have to focus on different accounting tools to support their decisions-making process.

The success of a business depends primarily upon the skills and abilities of management – which skills can vary widely among different managers. The business is not completely at the mercy of market forces. Management can through its actions (decisions) influence and control events within limits. A critical managerial function is a decision–making. Companies use management accounting techniques to assess their operations. These include budgeting, variance analysis, and breakeven analysis. These methods help organizations to plan, direct and control operating costs and to achieve profitability. It is recognized that management accounting practices are important to the success of the organization (Horngren et al., 2009).

Another driver of this thesis is the scarcity of research into the use of management accounting information among firms in developing countries. Despite the increasing amount of research in management accounting in the past decade, little is known of its form and effectiveness within firms in developing countries (McChlery et al., 2004)

As per the findings of Tewodros (2009) and Mintesinot (2013) in Ethiopia manufacturing companies mainly focused on financial accounting, financial management, information technology adoption, and credit accessibility for manufacturing companies on the contrary limited emphasis given to management accounting and its practice especially when it comes to relating management accounting practice in managerial decision making on real estate

companies. Moreover, according to Muluye (2018), there is a discouraging practice in the use of management accounting information by marketing and construction managers in decision making. The research work also shows managers that use management accounting information become ineffective in their decisions.

Thus, this study aimed to fill this gap so that the finding broaden our insights about the role of managerial accounting in enhancing decision making, the use of management accounting information and to examine both the factors that lead to their use as well as their impact on performance in Dashen Bank.

1.3 Basic Research Questions

In order to study the problem identified, the following questions were addressed in the study:

- What is the extent of management accounting practice adopted by Dashen Bank?
- How management accounting information help managers to be effective in their decision?
- What is existing practice of the role of MAIS at decision making ?
- What are the challenges of the role of MAI at Dashen Bank?

1.4 Objectives of the Study

The general objective of the study is to assess the role of managerial accounting in enhancing decision-making in Dashen Bank.

Specifically, the study aims

- To investigate which management accounting practices are adopted by Dashen Bank.
- To investigate whether the managers use managerial accounting information in decision making.
- To assess whether management accounting information helps managers to be effective in their decisions.

1.5 Significance of the Study

Firstly, the findings of this research were expected to help any concerned body/ stakeholders at different levels by creating and developing awareness on role of management accounting enhancing decision making.

The study finding could help scholars to seek more knowledge about the Management Accounting Practice in many other industries, the findings were also helpful in building on the already existing literature the government can use the study findings in building and widening the awareness of management accounting practices, the study helps the managers in making the decision by using management accounting information and the study also help management accountants produce useful information for decision-makers.

For Manger of the Bank: management accounting information to the relevacy for effective decision making

For Policy Maker: awerness to all level at stratagic and operational to decision will use managemnet accounting information.

For Academician: The study is expected to be a stepping stone for further research on the area.

1.6 Scope of the Study

To make this research manageable, the scope of the study was limited to employees of the Dashen bank which working at professional level working at Addis Ababa branches and head office. The scope of this thesis was restricted to the role of managerial accounting in enhancing decision-making in Dashen Bank. In order to contribute to the attainment of the purpose the paper pursued the following structure. As a start, the introduction will provide the reader with an insight into the process of how the study was conducted. Afterwards, the chosen theories are introduced, which include ideas of various management accounting tools as well as decision-making. Fieldwork data, collected during this study, will be eventually presented and then compared with the theories in use. This allows for drawing conclusions that will be shown in the final section.

1.7 Limitation of the Study

The major limitations to accomplish this study were limited time, budget, and the corona pandemic which make the data gathering phase harder. Moreover , the information i got come from questionnaires and the managers did not have so much time to allocate to our study .

1.8 Definition of Key Terms

Management Accounting is the process of supplying the managers and employees in an organization with relevant information, both financial (cost of producing a product, the cost of delivering a service and the cost of performing an activity or business process) and nonfinancial (measures related to customer satisfaction and loyalty, process quality and timeliness, innovation and employee motivation) for making a decision, allocating resources, and monitoring, evaluating and rewarding performance.

Decision making is the process by which organizational members choose specific course of action in response to threats and opportunities.

1.9 Organization of the Paper

The research is organized into five chapters. The first chapter deals introduction which consists of the background of the study, statement of the problem, the objective of the study, research questions, significance of the study, scope, and limitation of the study, and organization of the study. The second chapter emphasized on review of related literature, which includes theoretical, empirical review, and conceptual framework of the study. Chapter three focused on the research methodology that was used for the study and it consisted of the research design and approach, the population of the study as well as sample and sampling techniques. In addition, this chapter presents, data collection methods, and data analysis techniques. Chapter four discussed data analysis and presentation of the findings. Finally, chapter five incorporates the conclusion and recommendations of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

This chapter introduces the theoretical framework relevant to the study and the empirical review discussed under the research themes and a conceptual framework

2. Theoretical Review

2.1 Definition of Management Accounting

Horngren et al. (2013) explained that management accounting helps managers to measure, analyze and report financial and non-financial information in making decisions to fulfill the goals of an organization, which is similarly defined by Atkinson et al. (2012) that management accounting is also the process of supplying the managers and employees in an organization with relevant information, both financial (cost of producing a product, the cost of delivering a service and the cost of performing an activity or business process) and nonfinancial (measures related to customer satisfaction and loyalty, process quality and timeliness, innovation and employee motivation) for making a decision, allocating resources, and monitoring, evaluating and rewarding performance.

2.2. Decision Making and Management Accounting Information

The primary role of management accounting in the decision-making process is to provide relevant information to the managers who make the decisions. Production managers typically make the decisions about alternative production processes and schedules, marketing managers make pricing decisions, and specialists in finance usually are involved in decisions about major acquisitions of equipment. All of these managers require information pertinent to their decisions. Management accounting plays a huge role by providing information relevant to the decisions faced by managers throughout the organization. Management accounting is concerned with gathering and reporting internal financial information to facilitate the decision-making process. As management accounting is not required to conform to national accounting standards, it allows businesses to customize the management accounting techniques as per the demand of the company. As a process of this customization, some advanced quantitative as well as a number of

qualitative techniques accompany the traditional techniques, have been emerged to cater to the information need in decision making (Yeshmin and Hossan, 2011).

In 1983 The Chartered Institute of Management Accountants' definition of the core activities of management accounting includes:

- Participation in the planning process at both strategic and operational levels, involving the establishment of policies and the formulation of budgets;
- The initiation of and provision of guidance for management decisions, involving the generation, analysis, presentation, and interpretation of relevant information;
- Contributing to the monitoring and control of performance through the provision of reports including comparisons of actual with budgeted performance, and their analysis and interpretation

Atrill and McLaney (2005) identified four broad areas of decision making where management accounting information is required. The first area is at the stage of developing objectives and plans. Managers are responsible for establishing the mission and objectives of the business and then developing strategies and plans to achieve these objectives. Management accounting information can help in gathering information that will be useful in developing appropriate objectives and strategies. It can also generate financial plans that set out the likely outcomes from adopting particular strategies. Managers can then use these financial plans to evaluate each strategy and use this as a basis for deciding between the various strategies on offer.

The second is when management performs evaluation and control. Management accounting information can help in reviewing the performance of the business against agreed criteria. Currently, non-financial indicators are increasingly used to evaluate performance along with financial indicators. Controls need to be in place to ensure that actual performance conforms to planned performance. Actual outcomes will, therefore, be compared with plans to see whether the performance is better or worse than expected. Where there is a significant difference, some investigation should be carried out and corrective action is taken where necessary.

The third is at the time of allocating resources. Resources available to a business are limited and it is the responsibility of managers to try to ensure that they are used in an efficient and effective

manner. Decisions concerning such matters as the optimum level of output, the optimum mix of products, and the appropriate type of investment in new equipment will all require management accounting information.

The last is when a determination of costs and benefits is being made. Many management decisions require knowledge of the costs and benefits of pursuing a particular course of action such as providing a service, producing a new product, or closing down a department. The decision will involve weighing the costs against the benefits. The information from management accounting can help managers by providing details of particular costs and benefits. In some cases, costs and benefits may be extremely difficult to quantify; however, some approximation is usually better than nothing at all.

Similarly, Mia and Clarke (1999) found that there are four stages that need information from management accounting. According to them, managers need management accounting information at the time of implementing strategy. Managers implement strategies by translating them into actions. Creating value for customers is an important part of planning and implementation of strategies. Strategic planning and implementation will include decisions regarding the design of products, services, or processes, research, and development, production, marketing, distribution, and customer services. Each of these areas is important for satisfying customers and keeping them satisfied. Management accounting will help to track the costs of each of the activities mentioned above. The ultimate target is to reduce costs in each category and to improve efficiency. Cost information also helps managers make cost-benefit analyses. The other area in which management accounting information is a must at the time of supply Chain Analysis: Companies can also implement strategy, cut costs and create value by enhancing their supply chain. The term 'Supply Chain' describes the flow of goods, services, and information from the initial sources of materials and services to the delivery of products to customers regardless of whether those activities occur in the same organization or in another organization. Customers expect improved performance from companies through the supply chain. They expect that the companies should perform all these activities in an efficient manner so as to reduce costs and also maintain the quality of the products and the products be available easily for them. This is no doubt a daunting task and management accounting plays a vital role in ensuring value for money for the customers. Tools like standard costing and target costing can be used effectively

for cost control and cost reduction and thus ensure reasonable prices for customers. A system of budgets and budgetary control will ensure continuous planning and monitoring of various functions and thus provide for introspection. Continuous improvement in these activities will help in creating value for customers.

The other area they mentioned the importance of management accounting information is on the process of decision making. Management accounting helps in this crucial area by providing relevant information to the management. Techniques like marginal costing help to generate information, which will be useful for making decisions. Decisions include make or buy decisions, adding or dropping a product line, working of additional shifts, shut down or continue operations, capital expenditure decisions, and so on. Decisions based on the information are expected to be more rational and objective rather than subjective. The last are they mentioned is performance measurement. Management accounting helps immensely for the measurement of the performance of the organization. The main aspect of performance measurement is the comparison between the targets and actual. There are several tools and techniques like budgets and budgetary control, standard costing, and marginal costing, which are used in measuring the actual performance against the target performance. This will facilitate introspection and corrective action can be taken for further improving the performance.

2.3 Previous Studies in Specific Areas of Management Accounting Practices

2.3.1 Costing

Research indicates that the information on product costs generated by costing systems has a wide number of uses. These uses include, for example, pricing decisions; cost control, (Yoshikawa et al., 1989; Bright et al., 1992; Lukka and Granlund, 1996; Cinquini et al. 1999; Van Triest and Elshahat, 2007); an evaluation of production processes; and transfer pricing (Bjornenak, 1997). However, research has focused on which costing systems are used by firms. The following discussion reviews evidence on the level of uptake of costing systems from previous studies.

The two main costing methods adopted were absorption costing and direct (variable) costing. The absorption costing system is generally preferred globally. For example, Drury et al. (1993) observed that 58 percent of U.K firms often or always used absorption costing and Scherrer (1996) found that around half of German firms applied this technique. Meanwhile, Shields et al.

(1991), who made a comparison between Japan and the U.S reported that Japanese companies indicated about 59 to 67 percent usage against a slightly higher uptake at 65 to 75 percent by U.S companies. More recently, Szychta (2002) found that 90 percent of Polish firms adopted this technique. In developing countries uptake rates are similar. For example in India, Joshi (2001) reported half of the Indian firms adopted this technique, and Firth (1996) revealed 66 percent of Chinese foreign-based companies applied this technique.

The use of direct (variable) costing is also widespread. Lukka and Granlund (1995) showed that 42 percent of Finnish firms applied variable costing. Similarly, Abdel Kader and Luther (2006) indicated just over 50 percent of British firms implemented this technique. In contrast in developing countries, Firth (1996) reported an adoption rate of 76 percent by locally based Chinese companies in China. Joshi (2001) Phadoongsitthi (2003) in India and Thailand respectively reported a similar rate of use to developed countries which is in excess of half of the surveyed firms.

A considerable amount of research has focused on activity-based costing (ABC) despite the survey evidence generally indicating that with the exception of the U.S and Australia, it is only used in a small minority of companies surveyed. In the UK uptake has been consistently poor (see, for example, Drury and Tayles, 2000; or Abdel-Kader and Luther 2006); and in other European countries, the position is similar at just below or just over 10 percent (see, for example, Israelsen et al., 1996; Cinquini et al., 1999 or Szychta, 2002). In New Zealand, Lamminmaki and Drury (2001) found that NZ manufacturers appear to be more advanced in terms of ABC adoption than UK companies as a greater proportion of manufacturers had held discussions on ABC and a greater proportion indicated an intention to use ABC. A similar but slightly stronger uptake of ABC is shown by research in developing countries. For example, Ghosh and Chan, (1997) found a 13 percent uptake in Singapore, and Joshi (2001) reported a 20 percent uptake in India. Interestingly, Van Triest and Elshahat (2007) found none of a sample of Egyptian companies adopted this method.

The extent of use of other costing techniques such as process costing and job costing has also been widely researched. For example, Shields et al. (1991) noted that Japanese firms report more frequent use of process costing (55 percent to 61 percent) compared to U.S companies (24

percent to 36 percent). Meanwhile, in Sweden, Lukka and Granlund (1995) indicated that 41 percent of Swedish companies implement process costing compared to 38 percent using a job order costing. Lastly, Wijewardena and De Zoysa (1999) discovered that more than half of the Australian companies used process costing (52 percent) or job-order costing (30 percent) as the main product costing method - which is not dissimilar to the findings of Lukka and Grandlund (1995). The results probably reflect the mix of industries in the samples as the choice between job costing and process costing will probably depend on the suitability of the method to production processes behind products and services.

2.3.2 Budgeting

Budgeting is perceived as an important control system in almost all organizations (Hansen and Van der Stede, 2004). The main focus on budgeting has been on uptake rates and the purposes underlying its use. Previous research indicates that the main purposes of budgeting are planning future performance; planning the future financial position; planning future cash flows; planning future day to day operations, and controlling costs (see, for example, Lyne, 1988; Armstrong et al., 1996; Chenhall and Langfield-Smith, 1998; Sulaiman et al., 2004; Fruitticher et al., 2005; Abdel-Kader and Luther, 2006). Budgeting is also used for performance evaluation, communication of goals, and strategy formation (Briers and Hirst 1990; Guilding et al., 1998; Hansen and Van der Stede, 2004; Sulaiman et al., 2004; Fruitticher et al., 2005), to coordinate activities across business units (Chenhall and Langfield-Smith, 1998); and for timely recognition of problems and to improve the next period's budget (Joshi et al., 2003).

The use of specific types of budgeting techniques such as flexible budgets, rolling budgets, ZBB, and operational budgets have been researched. Nik Ahmad et al. (2003) found that the uptake of flexible budgets in Malaysia is higher compared to those in the UK and New Zealand. The relatively low results also were by few studies (see Pierce and O'Dea, 1998; Szychta, 2002; and Abdel-Kader and Luther, 2006). Szychta (2002) suggested that the reasons for low adoption include: generally no major change in activity within a year; volumes do not move that significantly 'and too difficult to report to nonfinancial departments'. The adoption rate of ZBB is on average less than 20 percent. For example, Abdel-Kader and Luther (2006) reported a 16 percent uptake in the UK; Szychta (2002) found 17 percent in Poland, and a study by Joshi (2001) showed only 5 percent adoption in India. Evidence on rolling budgeting is limited to

Hansen and Van der Stede (2004) who found that 23 percent of U.S companies were using rolling budgets.

With respect to control aspects of budgeting, Puxty and Lyall (1989) found that majority of UK industrial companies were using both standard costing and budgeting systems in their firms. Similarly, Guilding et al. (1998) found that standard costing systems continue to be popular and that the majority of accountants surveyed did not envisage abandoning standard costing and variance analysis in advanced manufacturing technology environments. Their comparisons between budgeting and standard costing practices used in NZ and the UK revealed a high degree of consistency. De Zoysa and Kanthi Herath (2007) who conducted a study in Japan found that standard costing is still being used by a large number of firms both in developing and developed countries which is consistent with Guilding et al. (1998). The research suggests that the importance of standard costing has not significantly declined despite technological changes. Sulaiman et al. (2005) found that standard costing is still being used by a large majority of firms in Malaysia. Thus, Malaysian companies (both Japanese and local) held that the basic principles of standard costing remain sound.

2.3.3 Decision Support System

Wu et al. (2007), hold that effective decision-making is the most important key factor in today's rapid and changing competitive environment. The decision support analysis can be divided into short-term and long-term analyses. Abdel-Kader and Luther (2006) argued that for regular or short-term decisions management accountants can use cost-volume-profit (CVP) analysis, product profitability analysis, customer profitability analysis, and stock control, models. For longer-term capital investment decisions, management accountants can produce and review accounting rates of return and payback periods as well as complex signals based on discounted cash flow. Capital budgeting techniques capture both non-discounted and discounted approaches. Klammer et al. (1991) argued that the superiority of internal rate of return (IRR) and net present value (NPV) analysis has been repeatedly demonstrated under conditions of certainty. Under uncertainty, the techniques used are sensitivity analysis, increased required rates of return, game theory, and Monte Carlo computer-based simulation.

The payback period method for investment evaluation is popular in most countries (see, for example, Shields et al., 1991; Yoshikawa, 1994; Lazaridis, 2004; Abdel-Kader and Luther, 2006; and Hermes et al. 2007). A 41 percent adoption rate was reported in the U.K by Abdel-Kader and Luther (2006) which is much lower than the 84 percent in Japan (Shields et al., 1991) and 84 percent in China (Hermes et al., 2007). This acceptance may be because the simplicity of this method makes it easier to evaluate projects. In contrast, techniques such as NPV and IRR/ROR have been adopted at relatively low rates; for example 19 percent in the UK (Abdel-Kader and Luther, 2006) and around 15 percent in Japan (Shields et al., 1991). However, Hermes et al. (2007) found that the NPV method is the most popular method (89 percent) in the Dutch companies they surveyed.

Techniques for dealing with uncertainty have also been researched (see for example Shields et al., 1991; Lazaridis, 2004; Abdel-Kader and Luther, 2006). Abdel-Kader and Luther indicated that the U.K companies used computer simulation (6 percent); and what-if analysis (22 percent). Shields et al. (1991) found that only 19 percent of Japanese firms were explicitly considering risk. In contrast, higher rates ranging from 48 percent to 93 percent were reported in the U.S. Another decision support technique; breakeven analysis had a relatively moderate adoption rate. For example, in the U.K the adoption rate was 38 percent (Abdel-Kader and Luther 2006); and in Poland 47 percent (Szychta, 2002). In contrast, Chenhall and Langfield-Smith (1998) found an 86 percent adoption of breakeven analysis in Australia. Product profitability analysis has been adopted to a significant extent in both developed and developing countries. For example, in the U.K 69 percent of respondents reported its use (Abdel-Kader and Luther, 2006); in Australia 89 percent (Chenhall and LangfieldSmith, 1998); and in India 82 percent (Joshi, 2001).

2.4. Challenges in Implementing Management Accounting Techniques for Improving Decision Making

Nian and Nair (2017) carried out a case study in Malaysia in analysing the challenges faced by manufacturing industries and the findings concluded that manufacturing industries have been facing many challenges in implementing management accounting techniques and these include lack of support from the top management, and qualified accounting staff. Sunarni (2013) furthermore goes on to say inadequate information and changes in business environment are challenges being faced by many organisations in implementing management accounting techniques.

2.4.1 Insufficient Support from Top Management

Tsai (2017) avers that one of the limitations causing the implementation of management accounting techniques in an organization is insufficient support from the top management. Tsai (2017) carried on to say top executives are not usually not concerned to reveal if the rightful management accounting techniques have been successfully implemented to enhance good decision-making process of an organization. Meiryuani (2014) suggests that top management have a tendency to be unaware concerning the exterior factors that hinder the utilisation of management accounting techniques that enhance decision making. Nian and Nair (2017) and Sunarni. (2013) went on to say that external factors include technological advancement, rapid changes in business environment and political stability are the most factors that management cannot take into consideration in implementing management accounting practices. Tsai (2017) said in line with this, top management tend to ignore these factors which are their responsibility; to examine these factors to make management accounting techniques effective and to enhance decision making of an organization. Shareh (2015) agreed that top management plays an essential role in generating innovative management accounting techniques by providing appropriate management accounting practices and make decisions that enhance creation and execution of knowledge successfully.

Nian and Nair (2017) argued that it is not the insufficient support from the top management that hinders the implementation of management accounting techniques in the overall decision making of the firm. Nian and Nair (2017) carried on to say that it is the lack of qualification and inexperience of the accounting staff that hinders the implementation of the management accounting techniques to enhance decision making. Nian and Nair (2017); Sanni and Hashim

(2013) researchers furthermore conceded that non-qualified and inexperienced accounting staff tends to implement irrelevant management accounting techniques, making mistakes and poor decisions hence at times this is pervasive to the management accounting techniques objectives which will enhance poor decisions to be implemented in the future. Sunarni (2013) also supported the concept that top management is not responsible for implementing management accounting techniques it is the lack of communication between the accounting department and the other departments. Nian and Nair (2017) carried on saying, hence management accounting techniques is not coordinated effectively within the organization to enhance the decision making of the organization. The research sought to establish the sound effects of the involvement of Capadvice Foods' top management in improving decision making through the implementation of management accounting techniques.

2.4.2 Inadequate Information

Al-Sayyed (2015); Ankrah, Mensah, and Ofori-Atta (2015); Anna (2017) and Srivastava (2016) believe that being in the possession of inadequate information greatly affects the implementation of management accounting techniques in enhancing decision making of the company. Srivastava (2016) stated that inadequate and inappropriate use of management accounting information can detriment the fair view of management in decision making. Lognathan and Srivastava (2016) suggested that use of inadequate management accounting information is one of the most factors that pervade the organisational failure towards the management decision making process in accomplishing predetermined goals and objectives. Butterfield (2016) and Metcalf (2018) suggested that inadequate information may be as a result of carelessness, misinterpretation of data or unqualified accounting staff which will lead to making inappropriate management accounting techniques ensuing to bad decision making.

However, Muhsinzoda (2015); Phuong (2017) and Shanker (2017) agreed that inadequate information in implementing management accounting techniques is mainly aligned by the absence of information systems which will enhance decision making of an organisation. Muhsinzoda (2015) furthermore, supported this view by stating that information systems allow proficient operation of the organisation and they also provide sufficient and vast information to management. The researchers concluded that applying such information systems play a significant position in helping the organisation to position better value on information systems

towards implementing suitable management accounting techniques in the organisation. According to the Financial Report (2016) Capadvise Foods has been failing to acquire all information essential for the organisation to conduct suitable management accounting practices for its decision-making process. Therefore, the research sought to establish the implication of inadequate information on Capadvise Foods' decision making.

2.4.3 Rapid Changes in Business Environment

Sulamain (2016) assert that rapid changes in business environment is another challenge faced by the organisation in implementing management accounting techniques in enhancing decision making of an organization. Sunarni (2013) furthermore, said that rapid changes in business environment often leads to changes in how organizations implement their management accounting techniques which will also damage management decision. Kloviene (2013) stated that rapid changes in business environment have an impact on the designing of management accounting techniques which will impact decision making process since management will often have limited skills on the design of the management accounting techniques. This is supported by Krishnan (2015) and Jovanovic (2015) suggested that changes in business environment has imposed new management accounting techniques and impositions of new regulations to be made which has completed the management decision making process to be challenging. Otley (2016); Sulamain (2016) and Krishnan (2015) agreed that rapid change in business environment has affected the implementation of management accounting information in a positive manner since it provides appropriate information to managers in order to meet the needs of decision making.

However, Talhat (2014) argued that a rapid change in business environment has no effect on the management accounting practices that enhance decision making of an organization. Talhat (2014) suggests that the emergence of the latest information technology and manufacturing technologies contributed much more to the challenge in implementing management accounting techniques in decision making. Furthermore, Talhat (2014) states that the trends in the economic environment also contributed to the transit of management accounting techniques that foster decision making. Nian and Nair (2017) the researchers concluded that rapid changes in business environment had no impact on implementation of management accounting techniques. The scholars brought the idea of the intensity of market competition that it had a major negative impact on the implementation of management accounting techniques that enhance decision

making of an organization. The research sought to establish the effects of rapid changes in business environment on Capadvised Foods when implementing management accounting techniques to enhance decision making.

2.4.4 Inexperience of Accounting Staff on Management Accounting Techniques

Nian and Nair (2017) agreed that the inexperience of the accounting staff has an impact on the implementation and design of the management accounting techniques that enhance the sustainability in the organizational decision-making process. Nian and Nair (2017) carried on to say that insufficient information on management accounting techniques may serve a vital feature in the application of modern and existing management accounting practices which enhance decision making. Vitez (2018) and Cima (2018) and Chigara, Moyo, and Mudzengerere (2013) assert that continuous assessment and professional enlargement of employees through update learning, studies and seminars can overcome the challenge of lack of knowledge as a result, management accounting techniques can be useful to improve decision making in an organization. Nian and Nair (2017) agreed with the above notion saying that most of the accounting staff do not appreciate management accounting techniques hence they are not informed about the advantages of management accounting techniques that enhance decision making process of an organization.

Maiga (2013); Nian and Nair (2017) and Sunarni (2013) they alluded that management accounting techniques are useful and valid when implementing rapid information technology and several accounting staff are not well versed with the transit in information technology hence unawareness remain as a main problem in implementing appropriate management accounting techniques to achieve good decision making. However, Al-Sayyed (2015) proposed that inexperience of the accounting staff in implementing management accounting techniques is not the main problem, it is the organization that does not increase the awareness concerning the formulation and technical knowhow in implementing appropriate management accounting techniques to enhance decision making process. Nian and Nair (2017) and Sunarni (2013) also believed that management accounting is a broad subject which requires a lot of concepts and comprising crucial aspects hence that should not be misinterpreted as management accounting techniques serve as a practice to foster decision making capabilities of an organization.

Therefore, the research sought to establish the inexperience of accounting staff on management accounting practices to enrich comprehensive decision making.

2.5 Empirical Review

As per the study conducted by Chan (2002) in Singapore, the aim was to investigate the management accounting practices of companies in that country. The results showed that there was a little improvement in the practice of management accounting since 1997. In addition, it was found that Singapore companies were ineffective in the use of costing tools and that the local Singapore companies would involve with high levels of complexity and a high amount of resources were needed for its implementation.

Adler et al (2000) conducted a survey that asked management accountants, in New Zealand manufacturing businesses, to indicate the techniques adopted in their business. While many studies have focused on particular techniques such as ABC or target costing, Adler et al. provided a questionnaire that included a vast array of management accounting techniques to provide a fuller set of response options. Respondents were asked to rank management techniques on a five point scale “from most used to least used”. A judgment sampling method was chosen to achieve a response rate of 19% that provided 165 completed questionnaires. Traditional management accounting techniques, such as full costing, direct costing and standard costing were found to be used more often than advanced management accounting techniques, such as strategic management accounting. The study by Adler et al. (2000) is generally consistent with the lack of adoption of advanced management accounting techniques as stated by the Ainikkal (1993) and Hawkes et al. (2003) studies, but inconsistent with respect to individual techniques. It was found that firms in Australia adopted ABC, and cost of quality techniques and also that big firm were more likely to use modern accounting techniques.

According to the study conducted by Anand et al. (2004), cost management practices in India studied the responses furnished by 53 CFOs in Indian corporations. The objective of their study was to capture the development in cost management practices such as accounting for overheads, applications of budgetary control and standard costing in corporate India. The survey questionnaire also aimed to verify any significant difference in management motivation for the implementation and use of standard costing as a control tool between activities based cost

management (ABCM) user firms and firms using traditional costing systems. The study established that the firms are successful in capturing accurate cost and profit information from their ABC cost systems for value chain and supply chain analysis. The results suggest that the firms have better insight for benchmarking and budgeting with ABC cost system yet the consistency in their priority of budget goals is lacking unlike the firms who are using traditional costing systems.

Abdel-Kader and Luther (2006) studied management accounting practices (MAPs) in the food and drinks industry in the U.K. in order to understand the level of MAP's sophistication and the factors that affect implementation of MAPs in this industry. The research methodology used in this study was a survey questionnaire sent to 650 executives of the industry. In total, 245 usable completed questionnaires were received and analyzed. Respondents were asked to indicate the frequency of use of 38 management accounting practices (MAPs) using a Likert scale (1 indicating never and 5 indicating very often). They were also asked to assess the importance of each technique/practice by rating these as „not important, moderately important or important. The study found that as companies moved into a more uncertain environment, the sophistication level of management accounting practices increased. Likewise, as their power relative to customers“ diminished, companies moved up the stages of evolution. Analysis of the management accounting practices used suggested that the management accounting systems employed in many food and drinks companies were not particularly sophisticated. Taking the industry as a whole, there was little evidence of management accounting directly connected with value creation.

Liaqat (2006) carried out an empirical study to find out the application of contemporary management accounting techniques in Indian industry through a survey of 530 member companies of the National Association of Financial Directors and Cost Controllers. Sixty three companies responded which constituted the sample; a response rate of about 12%. The sample was stratified in two segments; ABCM user firms and Non ABCM user firms. A five point Likert scale was used. The focus of the study was to find evidence on how widely traditional and contemporary management accounting practices were adopted by Indian industry. The investigations revealed that improvement of overall profitability and cost reduction were the motivating factors for using management accounting in Indian companies. The researcher found

a positive association between the adoption of ABC and company characteristics (e.g. degree of customization, pressure of competition, business size, and proportion of overhead to total cost). However, none of the differences was found to be significant at 10% level.

Isa & Thye (2006) examined the usage of management accounting practices in manufacturing firms in Malaysia. They also studied the relationship between product variety, complexity of production process, level of competition, company size, overhead expenses and usage of advanced management accounting practices. Management accountants in 500 manufacturing firms were randomly selected from the 2004/2005 Federation of Malaysian Manufacturers Directory. A total of 75 usable responses were received, that represented a response rate of 15%. Respondents comprised of senior level managers, including Chief Executive Officers, General Managers and Management Accountants. In this study, the measures for traditional management accounting techniques (TMAT) and advanced management accounting techniques (AMAT) were adopted from Waldron and Everett (2004). The TMAT were represented by four techniques: full costing, standard costing, job order costing and process costing. The AMAT comprised thirteen techniques: Activity-Based Costing, Activity-Based Management, Target Costing, Kaizen Costing, Value Added Accounting, Cost of Quality, Economic Value Added, Life Cycle Costing, Target Cost Planning, Cost Modeling, Strategic Management Accounting, Throughput Accounting and Back Flush Costing.

Salawu et al., (2012) did a survey of Activity Based Costing Adoption Among Manufacturing Companies in Nigeria. The study reveals that inability of the traditional cost systems to provide relevant cost was the most highly ranked reason in their decision to adopt ABC. Traditional methods of allocating overhead were therefore believed to be deficient in terms of improving global competitiveness. Also, 60% of the respondents have adopted ABC due to increased ranges of products, competition and increased overhead. Familiarity with and adoption of ABC was found to be across the manufacturing, more than half of the sample are familiar with it. The 40% of respondents who have not adopted ABC cited the cost and complexity involved with implementation as the main reason in non-adoption. However, cost of implementing ABC was enormous which hinder the small scale manufacturing from adopting it. This result may reflect the fact that larger firms are more likely to have the diverse mix of products or services that makes the use of ABC advantages. Consequently, the study recommends that the companies who

have not adopted ABC because of its high cost of implementation should endeavor to consider its adoption because in the long run the benefits derive from it will outweigh its cost. It helps to identify inefficient products, departments and activities and helps to allocate more resources on profitable products. In conclusion, the senior management should also give their utmost support to the implementation and success of ABC.

Thanju (2009) conducted a study on determinants of management accounting changes in three private Hospitals in Nairobi during the study period. Management accounting changes have been documented in developed countries and have been related to changes in business environment. However, no such study had been document in private Hospitals in Kenya. This was the gap that this research intended to fill. The objective of the study was to evaluate the management accounting changes and determinants of these changes that occurred in these three hospitals in Nairobi between the period of 2006 to 2011. To achieve the objectives, the researcher used descriptive cross sectional survey design where primary data was collected through structured questionnaires and personal interviews with financial managers/ management accountants of the respective Private hospitals. The data was analyzed using descriptive statistics, presented in narrations, graphical and pictorial designs for interpretation and summarization. His findings indicated considerable management accounting changes in these hospitals in all the areas. The firms also had adopted many modern management accounting techniques. The findings suggest the determinants of management accounting change included high competition, advancement in technology, need for financial and non-financial measures, financial performance, board members expectation, statutory and regulatory bodies requirements as well as availability of resources. The study revealed that high accounting staff turnover, inadequate staffs, poor communication with line managers, strict government and regulatory bodies" requirements and difficulties in accessing strategic information about competitors as the main factors that hinder management accounting change.

A study was conducted by Samuel (2013) on "Management Information Systems Availability and Utilization as Factors Influencing Managers in Decision-Making: a Case of Commercial Banks in Ethiopia" was also taken as empirical evidence in this research study. The intent of such study was to check an extent of MIS availability in order to modifying management

decision making in government and Private commercial banks in Ethiopia. Also Samuel was intended to see the availability of MIS for managers decision-making and examined how utilization of management information systems influence decision making in commercial banks in Ethiopia.

Tewodros (2009), examines the use of management accounting information in decision making and management control in the case of some selected manufacturing companies in the city of Addis Ababa. The aim of the study is to identify the types of decisions that managers often make and areas that need management control and assess whether managers use management accounting information in decision making and control. In doing the study, primary data was obtained through questionnaires and interviews. The questionnaire was distributed to finance managers, marketing managers, production managers, and accountants. An unstructured Interview is also made to collect data. The findings of the study reveal that there is modest use of management accounting information in manufacturing companies in the city of Addis Ababa and it also shows managers that who use management accounting information are effective in their decision and control.

Mintesnot (2013), conducted a study on the role of management accounting in enhancing decision making at Metals and Engineering Corporation (METEC). The purpose of this study is to identify the impact of management accounting information on decision-making. In doing the study the researcher employed both qualitative and quantitative research approaches. Data was gathered through questionnaires and interviews. As per the results, the prevailing management accounting system has many drawbacks. Although the results indicate the use of management accounting information for decision making is very low and the management's focus towards management accounting is below the required level. In addition to this, the research result shows that the accounting policy is financial accounting oriented and not helpful in making management accounting reports.

2.6 Research Gap

This part of the study is attempted to present the gaps that initiated the demand for this study based on four perspectives such as geographical, variable, time and methodological. Based on the geographical perspective, the research gap that needs to be articulated in this study was

because no adequately conducted studies were found locally with related topic on commercial bank of Ethiopia (CBE). As a result, I truly found only one study which was conducted by Samuel (2013) on “MIS Availability and Utilization as Factors Influencing Managers Decisions: a Case Study on eight selected government and private Banks in Ethiopia”. The scope for this study was broader and did not focus on a single bank unlike my study which the scope was narrowed and concentrated in depth on a single bank called CBE. Based on the above research topic and company selection gaps, the researcher was initiated to study on this topic to fill the study gap in the area.

Based on the variable perspective, the research gap that needs to be articulated in this study was explained as follows. According to Ajayi and Omirin (2007), the following components were considered as modern MIS criteria for financial institutions in the MIS theory; such as RCIS, FIS, AIS, HRIS, ICS, IIS, BIS, MKIS, CMIS, I/E S, GIS and IT. These modern MIS component criteria were considered as confirmation for the existence of MIS availability and utilization for effective managers’ decision making. Samuel (2013) was conducted his research study by considered all these modern component criteria stated in the theory above as influencing factors to determine effective Managers’ Decisions in eight selected government and private commercial banks in Ethiopia. However, in this study the researcher would prefer to use the same dependent variable “Managerial Decision Making” but completely different independent variables such as Availability of Manpower, Availability of Equipments and Devices, Availability of Network & Software Applications, Availability of MIS procedure and Utilization of the available MIS determinant factors. Therefore, the difference between the independent variables gap considered in this and the previous study was the second research gap that initiated the researcher to conduct the study on the given research topic.

Based on time perspective, as previously stated above there was no exactly the same research topic were conducted on commercial bank of Ethiopia. But the research study conducted by Samuel (2013) on “MIS availability and utilizations as factors influencing Managers’ Decision: a case study on eight selected government and private banks” was a research study that relates to

my study. So the time gap between these two research studies were conducted is almost seven years. Therefore, seven years time gap between my study and the previous study may bring significant outcomes difference as a result of nothing is static (motionless) and everything is in motion as time goes up. So by considering this time difference as a research time gap, conducting this study was logical.

Based on Methodological perspective, to assess the existing MIS availability and utilization influence on managers' decision in commercial bank of Ethiopia, this study was applied descriptive and inferential statistical analysis tools as well as to some extent linear regression to determine the R-square and the reliability of the study using cronbach's alpha or alpha coefficient. Therefore, we can conclude that there exist methodological research gap between these two studies.

2.7 Dimention Indicators

The following are are dimension indicators for this study .

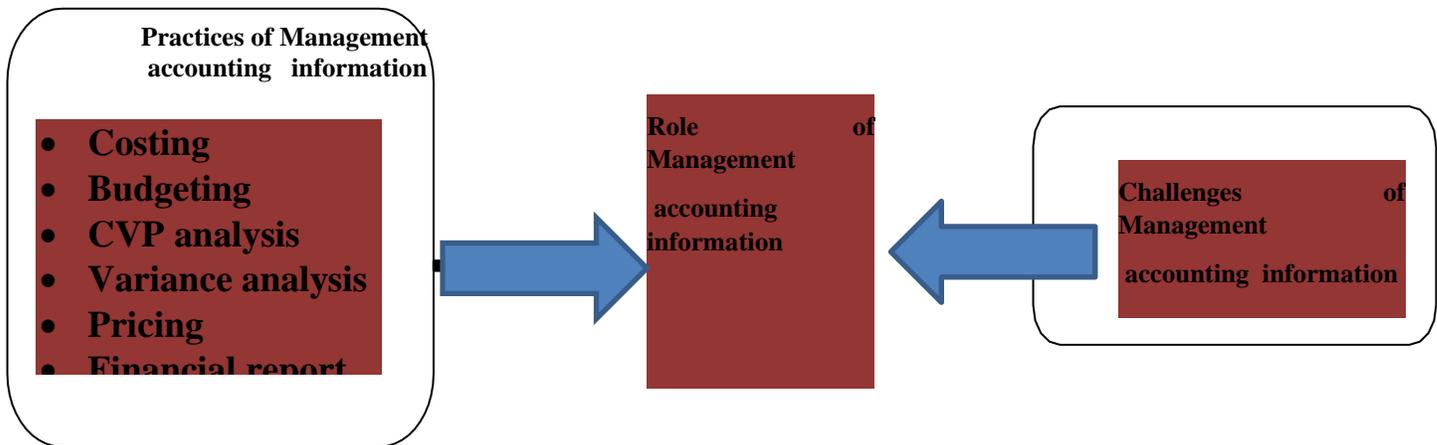


Figure 1: dimentions and indicators

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design/Type and Approach

Mouton (2001) defines research design as a plan or blueprint of someone intending to conduct a research. Research design involves how the researcher has planned to carry out the research. The study adopted descriptive research type in analyzing the role of managerial accounting practices in enhancing decision making. The purpose of descriptive research is a description of the state of affairs as it exists at present. The objective of descriptive is to “portray an accurate profile of a personal event or situation” (Robson, 1993), Thus this study described and critically assessed the Use of Management Accounting Practice in Decision Making.

3.1.1 Research Type

The study adopted descriptive and research design in analyzing the role of managerial accounting practices in enhancing decision making.

3.1.2 Research Approach

The study adopted both quantitative and quantitative research approaches were used.

3.2 Sampling Design

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. A sample design represents the comprehensive list of study subjects from which the research draws the sample size (Cooper & Schindler, 2014). For a sample design to be valid, it has to contain holistic representation of the target population. This study adopted a sample design from Dashen Bank head office written letter.

3.2.1 Target Population

Target population is defined as the entire group a researcher is interested in. According to Zikmund (2003), the definition of the population was identifiable total set of elements of interest being investigated by a researcher. The target population of this study was employees from dashen bank of Addis Ababa head office and other 6 branch of the bank and the roles these accounting information play in the respective decision of the Bank.. In regard to the objectives of this study, the data was collected from employees. Therefore target and study population of this study consisted of 420 employees of dashen bank of Addis Ababa head office and other 6 branch of the bank. The target population of this study is believed to have experience and knowledge in the area of management, accounting, and economics.

3.2.2 Sampling Technique

The selections of the sample respondents were made using haphazard or convenience sampling techniques. Out of the 420 employees of dashen bank under the six district offices in Addis Ababa; taking the relative size, year of operation of the branches, cost and availability of time for the study into consideration, six branches namely Ayere Tena, Woleta, Betelle, Keraniyo, Medahinaleme finance branch and head office of dashen bank mixisco were selected for the study. In order to make generalizations with confidence about the case under investigation, the appropriate sample size was considered. The sampling design for this population was haphazard or convenience sampling technique. Currently, there are four hundred twenty employees and the researcher selected them based on convenience sampling. This sampling method is selected due to the samples were easy to recruit and they are selected from the population only because they are conveniently available to the study.

3.2.3 Sample Size

The sample size is calculated using a single population proportion for quantitative data collection. Considering the population number of people 420 individuals, the following parameter assumption was taken to calculate the sample size.

$Z_{\alpha/2}$ = is the value from the standard normal distribution, reflecting the confidence level that will be used (e.g., $Z = 1.96$ for 95%)

p= timely completion of projects 0.5% to have the maximum sample size since I can't get any previous study prevalence

q=1-p

d= the marginal error is considered 10%, since, the population has more homogeneous in terms of their characteristics.

$$N = \frac{z^2(P*Q)}{d^2}$$

Source : <http://www.raosoft.com>

Based on the above equation the sample size calculated from the online sample size software called Rasoft will be 79 and then considering of non-response rate of 5% sample size is 79.395 rounded to 79.

3.3 Data Source and Methods of Collection

3.3.1 Data Sources

Regarding data sources the study mainly relied on primary data.

3.3.2 Methods of Data Collection

Data collection method the study mainly relied on primary data. The primary data was collected from customers through a three point Likert scale type of questionnaires. Primary data are described as those items that are original to the problem under investigation. This primary data was collected from respondents sampled for the study. Primary data are necessary in order to get relevant, original and reliable first-hand information about the 24 problem under study. Questionnaires were the major tool of capturing the primary data because of its advantages over the other methods and its efficiency or ability to capture more information from the source.

3.3.3 Procedure of Data Collection

Primary data was collected through a structured questionnaire. The study used a five-point Likert Scale from 1 to 3. It is a widely used rating scale that requires the respondents to indicate a degree of significance with each of a series of statements or questions. This rating scale is easy to

construct and administer and respondents readily understand how to use the scale. The questionnaires were collected from the respondents after a week in order to give them sufficient time.

3.3.4 Reliability and Validity of Data Collection Instrument

3.3.4.1 Reliability

The reliability among the multiple measures of the variables that comprise this study was measured using Cronbach Alpha coefficient generated by statistical SPSS. Cronbach’s Alpha is a measure of internal consistency of questions within the questionnaire and checks if the questions of the questionnaire were understood and if the data are reliable for analysis (Travakol and Dennick, 2011:447-58.).

Reliability analysis was conducted with the help of the Statistical Package for Social Scientists (SPSS) using Cronbach’s Alpha. Cronbach Alpha was determined for every objective which formed a scale in the research. Cronbach's Alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. To assess the reliability of the instruments; thus, the internal consistency, to indicate how well different items on a scale measure the concepts which they are purported to measure, a reliability test was done. Internal consistency is calculated by measuring a statistic known as Cronbach’s alpha. It is considered a good measure of reliability in social science research when it is found to be 0.70 or above. This reliability estimate was measured using the Cronbach Alpha coefficient (α). Nunnally (1978) recommends that instruments used in research should have the reliability of at 0.70 or above.

Table 3. 1: Reliability Analysis

Cronbach's Alpha	Constructs	No. of Items
0.783	Demographic characteristics	4
0.835	The role of management accounting information in enhancing decision making	24
0.864	Management Accounting Techniques	6

Source: Own Survey, 2021

The Table above shows that the scales were reliable as they surpassed a Cronbach

Alpha threshold of 0.7.

3.3.4.2. Validity

Before the questionnaire was distributed to the respondents, the validity of the instruments was checked by the advisor as to whether it measures what it purported to measure. Accordingly, based on the approval obtained from the advisor, the questionnaire was used considering that, they are valid

3.4 Data Analysis Technique

Kothari, (2004), stated that the analysis of data involves several aspects which include ensuring that the data is clean, transformation of data, and modeling the same. The purpose of this is to highlight important details, opinions, and inferences that may be of help to the researchers in making conclusive decisions.

3.4.1 Quantitative Data Analysis Technique

After the process of data collection by use of questionnaires, it was edited to ensure that it is comprehensive and complete. This information was then coded and analyzed using Statistic Package for Social Science (SPSS). In addition, it was summarized using descriptive statistics such as tables, frequency distributions, and percentages to give a condensed picture of the data.

3.5 Ethical Consideration

Research involves human participants raises unique and complex ethical, legal, social, and political issues. Research ethics is specifically interested in the analysis of ethical issues that are raised when people are involved as participants in research. The first objective is to protect human participants. The second purpose is to ensure that research is conducted in a way that serves the interests of individuals, groups, and society as a whole. Finally, the third objective is to examine specific research activities and projects for their ethical soundness, looking at issues such as the risk, protection of confidentiality, and the process of informed consent (Saunders et al. 2007). Therefore, participants' privacy, confidentiality awareness, and anonymity were guaranteed.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSIONS

4.1 Response Rate of Respondents

Table 4. 1Analysis of Response rate

Questioner Distributed	Questioner returned	percentage
79	79	100%

Source: Organized form survey data, May 2021

As shown in this table 4.1 above regarding response rate , 79 questioners were distributed to respondents and all were returned filled properly which rated 100% This response rate is considered very good to make conclusions for the study.

4.2 Demographic Characteristics

The study sought to establish the background information of the respondents including respondents' gender, age, and highest level of education and years of experience.

4.2.1 Demographic Characteristics of Gender Respondent

Table 4. 2: Demographic Characteristics of Respondents

Factors	Catagories	Frequency	Percent%
Gender	Male	48	60.8
	Female	31	39.2

Source: Organized form survey data, May 2021

The findings show that most of the respondents were male numbering 48, representing 60.8 % while the rest 31 representing 39.2 % were female. It implies that the male respondents are higher than female customer.

4.2.2 Response Rate of Age Respondents

Table 4. 3 Demographic Characteristics of Age Respondent

Factors	Catagories	Frequency	Percent%
Age	Between 20-29	33	41.8
	Between 30-39	37	46.8
	Between 40-49	7	8.9
	50 Plus	2	2.5

Source: Organized form survey data, May 2021

The study also assessed the age of the respondents. The findings reveal that a majority of the respondents were 30-39 Years at (46.8 %) followed by 20-29 years at (41.8 %), age of 40-49 years at (8.9 %), and the rest 2.5 % of the respondents were aged above 50. So, majority of the respondent's of the bank were found their age up to 30-39 years old.

4.2.3 Response Rate of Educational Level Respondents

Table 4. 4 Demographic Characteristics of Educational Respondent

Factors	categories	Frequency	Percent%
Educational level	Diploma	3	3.8
	Bachelor's degree	56	70.9
	Master's Degree	20	25.3

Source: Organized form survey data, May 2021

According to the findings, the majority of the respondents (70.9 %) were undergraduate degrees, 25.3 % were postgraduates and the rest 3.8 % were diploma holders. Therefore, majority of the respondents of the bank are degree and above.

4.2.4 Response Rate of Experience Respondents

Table 4. 5 Demographic Characteristics of Experience Respondent

Factors	Categories'	Frequency	Percent%
Experience	Below 2 years	3	3.8
	Between 2-5	36	45.6
	Between 6-10	33	41.8
	Between 11-20	3	3.8
	Between 21-30	4	5.1

Source: Organized form survey data, May 2021

According to the findings of the study, the majority 45.6 % and 41.8 % of the respondents' job experience was between 2-5 years and between 6-10.

4.3 Descriptive Analysis, Interpretation and Discussion

4.3.1 Managers use Management Accounting Information in Decision Making Process

Table 4. 6 Managers use Management Accounting Information in Decision Making Process

Statement	n	Classification	Frequency	Percentage
managers use management accounting information in decision making process?	79	Yes	64	81
		No	15	19

Source: Organized form survey data, May 2021

In table 4.6 above, respondents were asked whether managers use managerial accounting information in decision-making. Results from the survey show that 81% of the respondents agreed that manager's management accounting information in the decision-making process, whereas 19 % of the respondents don't agree with the statement. The results as indicated above imply that the majority of the respondents agreed that they use management accounting

information in the strategic and tactical decisions of the bank. This, therefore, means that management accounting information is a key tool in the decision-making process.

4.3.2 The Role of Management Accounting Information in Enhancing Decision Making

In this part, descriptive statistics in the form of frequency and percentage were presented to illustrate the feedback of the respondents. The feedback of the respondents for the variables indicated below were measured on a three-point Likert scale with measurement value 1= Disagree; i.e. very much dissatisfied with the case described; 2= Neutral, i.e., uncertain with the case described and 3= Agree, i.e., feeling all right with the case described and considered as satisfied. To make an easy interpretation, by taking their percentage and frequencies strongly disagree and disagree were merged to disagree, the same technique is followed for strongly agree and agree in to agree. To analyze the collected data in line with the overall objective of the research undertaking, statistical procedures were carried out using SPSS version 21 software.

statistical procedures were carried out using SPSS version 21 software.

4.3.2.1 Existing practice of the role of management accounting information System at decision making process?

Table 4. 7 Existing practice of Management and Management accounting

S/No	Statement	n	Classification	Frequency	Percentage
1	Management accounting information is essential for decision making.	79	Disagree	8	10.1
			Neutral	23	29.1
			Agree	48	60.8
2	Managers of our bank use management accounting information to make managerial decisions	79	Disagree	7	8.9
			Neutral	38	48.1
			Agree	34	43
3	In our bank reports are produced to show profitability by departments, segments or projects.	79	Disagree	7	8.9
			Neutral	30	38
			Agree	42	53.1
4	Management of our bank gives equal concern to both financial accounting statements and management accounting statements.	79	Disagree	8	10.1
			Neutral	29	36.7
			Agree	42	53.2
5	In our bank variance analysis is prepared and presented to management for decision.	79	Disagree	10	12.7
			Neutral	24	30.3
			Agree	45	57
6	In our bank accountants prepare informative reports and submit the same to management regularly.	79	Disagree	8	10.1
			Neutral	19	24.1
			Agree	52	65.8
7	Finance department uses international financial reporting standards.	79	Disagree	4	5.1
			Neutral	19	24.1
			Agree	56	70.8
8	Our bank use management accounting information in planning and control decision	79	Disagree	14	17.7
			Neutral	14	17.7
			Agree	51	64.6
9	Our bank use management accounting information in Human resources policies [Acquisition, Recruitment (internal and external), and Selection and hiring decisions] related decisions	79	Disagree	5	6.3
			Neutral	19	24.1
			Agree	55	69.6
10	Our bank use management accounting information in Investment in fixed assets (lease or purchase) related decisions	79	Disagree	4	5.1
			Neutral	21	26.6
			Agree	54	68.3

Source: Organized form survey data, May 2021

The results in table 4.7 above show that , the study respondents were asked about their finance department uses international financial reporting standards and the majority of them (70.8 %) agreed that their finance department uses international financial reporting standards.

On the importance of management accounting information for decision making, 60.8 percent of respondents agreed, while 29.1 % of the respondents were neutral and the rest 10.1 % disagreed. Again the respondents were asked to give their opinion on managers' use of management accounting information to make decisions. The majority of the respondents which constitutes around 48.1 % percent of the total population responded that they are neutral, 43 percent agreed and the rest 8.9 disagreed.

In order to identify if there are reports which show profitability by departments or segments. 53.1 percent of the respondents agreed, 38 percent were neutral and the remaining 8.9 percent remained disagreed.

Moreover, respondents were asked if there is a variance analysis between actual results and plan is prepared and presented to management. Of the entire respondents 57 percent agreed on this idea, 30.3 percent neither agreed nor disagreed and while 12.7 remained disagreed.

Furthermore, the respondents were also asked if they believe that the accountants who are found in their bank produce informative reports and submit them to management. 65.8 percent of the respondents agree 24.1 percent neutral and about 10.1 percent were indicated that they disagree with this idea.

Planning and controlling are key functions of management. The results show that 50% of the respondents strongly agreed that they use management accounting information in planning and control, 64.6 % of the respondents agreed that they use management accounting information in the planning and controlling decisions making, and an equal portion of the respondents 17.7 % were neutral and disagreed.

Furthermore, management of fixed assets is very important in the smooth running of the bank Managers need to make decisions on whether to invest or divest in the fixed assets. The results showed that 68.3 % of the respondents agreed that they use management accounting information in the fixed assets management decisions, 26.6 % of the respondents were neutral and the rest 5.1

disagreed. The results from the survey revealed that management accounting information is highly applied in the management of assets.

Existing practice of the role of management accounting information System at dashen bank share company decision making process the respondents show in their response imply that Management accounting reports like variance analysis was prepared regularly and submitted to management. The practice of preparing informative reports to management and presenting to management is also performed.

4.3.2.2 The challenges of the role of management accounting at dashen bank

Table 4. 8 Challenges of Practices / Role of Management Accounting at dashen bank

S/No	Statement	n	Classification	Frequency	Percentage
1	Our bank finance department has enough number of workers which enables it to produce the necessary reports to management.	79	Disagree	11	13.9
			Neutral	33	41.8
			Agree	35	44.3
2	Finance department has workers with adequate educational background.	79	Disagree	6	7.6
			Neutral	13	16.5
			Agree	60	75.9
3	Accounting department produces reports which are helpful for different segments like Procurement, Human Resource, Marketing and Selling, Production ,etc	79	Disagree	12	15.2
			Neutral	12	15.2
			Agree	55	69.6
4	Accounting department uses modern and up to date accounting software to make reports.	79	Disagree	12	15.2
			Neutral	12	15.2
			Agree	45	69.6
5	to investigate the adequacy of finance department workers with respect to numbers.	79	Disagree	11	13.9
			Neutral	33	41.8
			Agree	35	44.3

Source: Organized form survey data, May 2021

The results in table 4.8 above show that the majority (69.6 % of the respondents) agreed that they use management accounting information in human resource policy decisions. Whereas the profit-making aims at maximizing profit, the results show that 41.3% of the respondents agreed that,

they use management accounting information in the performance analysis, 20.3 % of the respondents were neutral and the rest 6.3 were disagreed with the statement.

The other question raised regarding the accounting system was about the finance department's competence regarding their educational background. From the total respondents, 75.9 percent agreed on the educational background appropriateness of the workers. 16.5 percent responded as they are neutral and the remaining 7.6 percent disagreed.

Furthermore, respondents were asked about the modernity and efficiency of the accounting software currently in use. From the responses given it can be conjectured that 69.6 percent of the respondents agreed on the efficiency of the accounting software to prepare the necessary reports, while an equal portion of the respondents which constitute around 15.2 percent were remained neutral and disagreed on their finance department's currently used software.

Management accounting reporting system produces different reports which are helpful for different segments. To examine this, respondents were also asked whether there are special reports which are intended to help segments like Marketing, Production, Human Resource, Procurement, and the like. Around 69.6 percent of the respondents have shown their agreement on this issue and an equal portion of the respondents which constitutes 15.2 percent from the total disagreed and stayed neutral.

The second question tried to investigate the adequacy of finance department workers with respect to numbers. As per the findings, 44.3 percent of the entire respondents agreed that their finance department has a sufficient number of workers, 41.8 percent of them were neither agreed nor disagreed on this issue, while the remaining 13.9 percent disagreed.

The challenges of the role of management accounting at dashen bank Respondents were asked about the modernity and efficiency of the accounting software currently in use. From the responses respondents agreed on the efficiency of the accounting software to prepare the necessary reports.

4.3.2.3 Practices management accounting information help managers to be effective in their decision?

Table 4. 9 The Existing Practice of MAI helps managers to be effective intheir decision at dashen bank

no	Statement	n	Classification	Frequency	Percentage
1	Management of our bank gives adequate emphasis and focus to management accounting.	79	Disagree	10	12.6
			Neutral	31	39.2
			Agree	38	48.2
2	Management members of our bank have proper understanding of management accounting information	79	Disagree	2	2.5
			Neutral	16	20.3
			Agree	61	77.2
3	Management of our bank gives equal concern to both financial accounting statements and management accounting statements.	79	Disagree	8	10.1
			Neutral	29	36.7
			Agree	42	53.2
4	Management accounting reports prepared in our bank are timely, relevant, reliable & understandable.	79	Disagree	3	3.8
			Neutral	19	24.1
			Agree	57	72.1
5	Our bank use management accounting information in strategic and tactical related decisions	79	Disagree	5	6.3
			Neutral	17	21.5
			Agree	57	72.2
6	Our bank use management accounting information in operations related decisions	79	Disagree	5	6.3
			Neutral	17	21.5
			Agree	57	72.2
7	Our bank use management accounting information in Geographic Composition related decisions	79	Disagree	7	8.9
			Neutral	23	29.1
			Agree	49	62
8	Our bank use management accounting information in service Quality decisions	79	Disagree	4	5.1
			Neutral	24	30.3
			Agree	51	64.6
9	Our bank use management accounting information in the Performance measurement related decisions?	79	Disagree	5	6.3
			Neutral	16	20.3
			Agree	58	73.4

Source: Organized form survey data, May 2021

As it is indicated on Table 4.9 among the whole respondents, Firstly the respondents were asked about their management members ‘focus and emphasis is given to management accounting. 12.6 percent of respondent disagree 48.2 percent which agreed on this issue and the rest 39.2 percent indicated that they neither agree nor disagree.

Respondents were asked if the management of their bank gives equal concern to both financial accounting statements and management accounting statements and the majority of (53.2 %) the respondents agreed that their bank gives equal concern to both financial accounting statements and management accounting statements, while 36.7 % of them were neutral and the rest 10.1 % disagreed.

Respondents were also asked about the management accounting reports quality from the point of timeliness, relevance, reliability, and understandability. On this issue, 72.1 percent of respondents agreed on the quality of the reports while 24.1 percent stayed neutral and the remaining 3.8 percent disagreed.

According to the results in table 4.9 above , respondents were asked whether they use management accounting information in the strategic and tactical decisions of the bank. Results from the survey show that 72.2 % of the respondents agreed that they use management accounting information in strategic decisions and tactical, 21.5 % of the respondents stayed neutral whereas 6.3 % of the respondents disagreed. The results as indicated above imply that the majority of the respondents agreed that they use management accounting information in the strategic and tactical decisions of the bank. This, therefore, means that management accounting information is a key tool in the strategic and tactical decision-making process. Operations decisions are very important in the effective and efficient management of the bank. According to the results, 72.2 % of the respondents agreed that they apply management accounting information in the operations decision, 21.5 % of the respondents stayed neutral whereas 6.3 % of the respondents disagreed. Moreover, the researcher was interested to know whether they apply management accounting information before operating in any geographical context. The results from the study revealed that the majority of the respondents (62 %) agreed that they apply management accounting information in the geographical division of the bank. This helps them to determine the best location to start their operations.

Furthermore, quality is one of the key dimensions for measuring the efficiency and effectiveness of the management team. The results revealed that 64.6 % of the respondents agreed that they use management accounting information in the decision-making, 30.3 % of the respondents were neutral and 5.1 % of the respondents disagree

The results implied that the majority of the respondents agreed that the majority of the respondents agreed that they use management accounting information in the strategic and tactical decisions of the bank. This, therefore, means that management accounting information is a key tool in the decision-making process. In order to be effective, management accounting needs the support of management. To give the required support firstly management members have the proper attitude towards management accounting. Among the concerns of this paper, the attitude, understanding, and focus given by management were one of them. The research results indicated that management members in Dashen bank give high focus to management accounting information, management members of the bank have a proper understanding of management accounting information and the management acknowledged the importance of management accounting information for decision making.

4.4. Management Accounting Techniques used in Dashen Bank.

Table 4. 10 Management Accounting Techniques used in Dashen Bank.

Techniques	n	Classification	Frequency	Percentage
Cost Accounting	79	Yes	58	73.4
		No	21	26.6
Financial Reports	79	Yes	60	75.9
		No	19	24.1
CVP Analysis	79	Yes	42	53.2
		No	37	46.8
Budgeting	79	Yes	55	69.6
		No	24	30.4
Variance Analysis	79	Yes	43	54.4
		No	36	45.6
Management Reports	79	Yes	65	82.3
		No	14	17.7

Source: Organized form survey data, May 2021

As seen in the table 4.10 above and Literature provides various management techniques that are used in the decision-making. Results from the survey show that 73.4 % of the respondents indicated use of cost accounting information. 75.9 % indicated the use of financial report in the decision-making, 53.2 % indicated the use of CVP analysis in the decision-making, 69.6 %

indicated the use of budgeting in the decision-making, 54.4 % indicated the use of variance analysis and 82.3 % indicated the use of management reports.

As per the result of table 4.10 above of the study, key techniques like cost accounting, financial reports, CVP analysis, budgeting, variance analysis, and management reports were adopted in the decision-making process.

CHAPTER FIVE

SUMMARY of FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The main aim of the study was to assess the role of managerial accounting in enhancing decision-making in Dashen Bank. Descriptive statistics in the form of frequency and percentage were used to answer the objectives of the study. To analyze the collected data in line with the overall objective of the research undertaking, statistical procedures were carried out using SPSS version 21 software.

- The findings of the study indicated that the majority of the respondents agreed that they use management accounting information in the strategic and tactical decisions of the bank. This, therefore, means that management accounting information is a key tool in the decision-making process.
- In order to be effective, management accounting needs the support of management. To give the required support firstly management members have the proper attitude towards management accounting. Among the concerns of this paper, the attitude, understanding, and focus given by management were one of them.
- Respondents were asked about the modernity and efficiency of the accounting software currently in use. From the responses given it can be conjectured that 69.6 percent of the respondents agreed on the efficiency of the accounting software to prepare the necessary reports.
- The research results indicated that management members in Dashen bank give high focus to management accounting information, management members of the bank have a proper understanding of management accounting information and the management

acknowledged the importance of management accounting information for decision making.

- Management accounting reports like variance analysis was prepared regularly and submitted to management. The practice of preparing informative reports to management and presenting to management is also performed.
- The findings of the study further indicated that the bank uses managerial accounting information in operations related decisions, geographic composition related decisions, planning and control decisions, in service quality decisions, performance measurement related decisions, investment in fixed assets (lease or purchase) related decisions, and human resources policies [Acquisition, Recruitment (internal and external), and Selection and hiring decisions] related decisions.
- Management accounting reporting system produces different reports which are helpful for different segments. To examine this, respondents were also asked whether there are special reports which are intended to help segments like Marketing, Production, Human Resource, Procurement, and the like. Around 69.6 percent of the respondents have shown their agreement on this issue
- As per the findings of the study, key techniques like cost accounting, financial reports, CVP analysis, budgeting, variance analysis, and management reports were adopted in the decision-making process.

5.2 Conclusion

The main objective of this research study was to assess the role of managerial accounting in enhancing decision-making in Dashen Bank.

As per the results of this study, the majority of the respondents agreed that managers use management accounting information in the strategic and tactical decisions of the bank. This, therefore, means that management accounting information is a key tool in the decision-making process, and the study concluded that the bank extensively uses management accounting information in strategic and tactical decisions.

The study found that key techniques like cost accounting, financial reports, CVP analysis, budgeting, variance analysis, and management reports were adopted in the decision-making

process. The findings are consistent with the management accounting practice in other developing countries such as Nigeria (Adelegan, 2001), Singapore, and Thailand (Nishmura, 2002). Therefore, the study concluded that the bank extensively uses management accounting techniques in making decisions.

Management accounting information is a key input to decision-making. Managers at all levels of the organization should employ various management accounting information in their decision-making process.

Management accounting information has one of the essential components of an organization in order to achieve the organizational objectives, in our case commercial Dashen banks use management accounting information effectively to meet their objectives. In addition to this, the quality of decision in organizations is highly affected by management accounting information which in turn affect the administration. In our case, management accounting information increased the quality of decisions. Regarding the roles of management accounting information in providing the standard serves are showing improvement from time to time. Management accounting information has a great role in administration decisions. In our case, management accounting information is helpful for administrative and operational decisions. Moreover, the bank gives equal concern to both financial accounting statements and management accounting statements, Management accounting information is crucial for the achievement of the strategic position of an organization. Furthermore, the bank finance department uses international financial reporting standards. Management accounting reporting system produces different reports which are helpful for different segments

5.3 Recommendation

Based on the findings, in order to avoid or possibly reduce the problem existing in management accounting information system and its impact on administration some recommendation can be suggested like; Since there are an undeniable amount of respondents which were neutral to statements regarding management accounting information and system, the bank should provide training and technical support. The bank should update and revise its management accounting information system in order to be competitive in the sector. Decision support systems should be installed and integrated into the management accounting information system in order to simplify

the decision-making process techniques. The management needs to make sure the availability of modern and updated accounting software. Specifically softwares which are helpful to make management accounting reports should be offered. Training related to management accounting information should be given to employees. Awareness about management accounting information needs to be created among members of staff. Management members need to should have to create awareness among all members and incorporate management accounting information in their decision making process.

5.4 Suggestions for Further Research

From the findings, the study established that MA practices positively affect the role of management accounting enhancing for decision making other than dashen bank at Addis Abeba. The study therefore recommends that the management of the dashen bank of Addis Abeba strive to maintain the current MA practices and further increase or improve them in order to enhance the banks value leading to more satisfied shareholders and stakeholders.

Suggestions for Further Research Since this research looked at the the role of management accounting information enhancing decision making the study recommends a similar research be carried out in other region and establish if the findings will differ from this study.

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<http://www.raosoft.com> sample size calculation

APPENDIX
QUESTIONNAIRE
St. Mary's University
College of Graduate Studies
MBA Program

A Questionnaire to be filled by employees from Dashen Bank

Dear Sir/Madam,

I am a post graduate student of Saint Marry University, engaged in a research entitled “THE ROLE OF MANAGEMENT ACCOUNTING PRACTICES IN ENHANCING DECISION MAKING AT Dashen Bank “as a partial fulfillment of the requirements for the degree of Masters of Arts in Business Administration. You are selected as part of the study and are kindly requested to assist me in data collection by responding to this questionnaire. I hereby confirm that the information obtained shall be utilized solely for academic purposes. Your help will be highly appreciated.

Yours faithfully

Aschlew Sirani

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Section I: Demographic factors of repondents

1. Your gender

() Male () Female-

2. Your age (in years)

Between 20-29 between 30-39 between 40-49 50 plus

3. What is your education level?

Diploma BSc MSc PhD

4. What is your work experience (in year) in Banking businesses? _____

Below 2 years 2 – 5 years 6 – 10 years 11 – 20 years 21 – 30
years 31 years and above

Section II existing practice of the role of management accounting information System at decision making process?

The following are scales you attach to each question posed. Indicate your agreement or disagreement to each item by making/putting a tick symbol (√) in each column. When you agree under (3), neutral under (2) and disagree under (1)

S/No	Statement	1	2	3
6	Management accounting information is essential for decision making.			
7	Managers of our bank use management accounting information to make managerial decisions.			
8	In our bank reports are produced to show profitability by departments, segments or projects.			
10	In our bank variance analysis is prepared and presented to management for decision.			
11	In our bank accountants prepare informative reports and submit the same to management regularly.			
13	Finance department uses international financial reporting standards.			
19	Our bank use management accounting information in planning and control decision			
21	Our bank use management accounting information in Human resources policies [Acquisition, Recruitment (internal and external), and Selection and hiring decisions] related decisions			
23	Our bank use management accounting information in Investment in fixed assets (lease or purchase) related decisions			

Section III

The challenges of the role of management accounting at dashen bank

The following are scales you attach to each question posed. Indicate your agreement or disagreement to each item by making/putting a tick symbol (√) in each column. When you agree under (3), neutral under (2) and disagree under (1)

S/No	Statement	1	2	3
2	Our bank finance department has enough number of workers which enables it to produce the necessary reports to management.			
3	Finance department has workers with adequate educational background.			
14	Accounting department produces reports which are helpful for different segments like Procurement, Human Resource, Marketing and Selling, Production ,etc			
15	Accounting department uses modern and up to date accounting software to make reports.			
	to investigate the adequacy of finance department workers with respect to numbers.			

Section IV: practices management accounting information help managers to be effective in their decision?

The following are scales you attach to each question posed. Indicate your agreement or disagreement to each item by making/putting a tick symbol (√) in each column. When you agree under (3), neutral under (2) and disagree under (1)

S/N	Statement	1	2	3
o				
1	Management of our bank gives adequate emphasis and focus to			

	management accounting.			
5	Management members of our bank have proper understanding of management accounting information.			
9	Management of our bank gives equal concern to both financial accounting statements and management accounting statements.			
12	Management accounting reports prepared in our bank are timely, relevant, reliable & understandable.			
16	Our bank use management accounting information in strategic and tactical related decisions			
17	Our bank use management accounting information in operations related decisions			
18	Our bank use management accounting information in Geographic Composition related decisions			
20	Our bank use management accounting information in service Quality decisions			
22	Our bank use management accounting information in the Performance measurement related decisions?			