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# ORGANIZATIONAL STRUCTURE AND MANAGEMENT ACCOUNTINGPRACTICES; CASE STUDY OF TERTIARY INSTITUTIONS IN BAYELSA STATE.

**BY**

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**Abstract**

The study examines organizational structure and management accounting practice of tertiary institutions in Bayelsa State. Its specific objective is to determine centralization as a proxy of organizational structure and management accounting practice. Survey research design was adopted for this study. The population of the study consists of seven tertiary institutions in Bayelsa State. Systematic sampling technique was used as the sampling procedure. Primary method of data collection was adopted and applied through the administration of a questionnaire designed in a 5- point Likert scale. Also, with the use of SPSS Window output 21.0 software descriptive statistics, Regression analyses, and ANOVA, were used to run the data analysis. The results revealed that centralization can determine the role of management accounting practice at the rate of 86.6%. Also, the ANOVA result shows a statistical significance at 5% confidence interval with a P-value less than 0.05. Overall finding reveals that organizational structure significantly affects the management accounting practice of tertiary institutions in Bayelsa State. It is recommended that adequate awareness should be created for the use of management accounting practice in tertiary institutions in Bayelsa State.

**Keywords**: Organizational, Structure, Management, Accounting Practice, Centralization

## Introduction

Currently, there is so much competition in running businesses and corporate organizations, both in developed and developing countries. The proprietors of business entities and large corporations want to go up the mark to achieving the set objectives or target in their business. Management accounting plays a pivotal role in formulating business strategy, planning and control activities, decision taking, optimizing the use of resources, disclosure to shareholders and other externals to the entity, disclosure to employees, and safeguarding the assets of the business. However, management accounting in practice cannot do without the use of certain management accounting practicing tools or techniques to achieving the overall goals of the organization. Thus, Management accounting practices (MAP) are essential to any Organization's success, and these practices have been used traditionally in every big organization. Management accounting practicing (MAP) tools includes cost practices, budgeting; decision-making, strategic analysis, and performance analysis, current management accounting practicing tools includes activity-based management, target costing, quality cost, product life cycle costing, and theory of constraint, total quality management, just-in-time, environment management and balanced scorecard. Manufacturing companies and service companies use these practices as they make plans to control cost differently by utilizing these accounting techniques. These shows that management accounting practices are varied and rapidly used in different organizations based on it peculiarity. But the most usable management accounting practice (MAP) tools are budgeting and costing, which cuts across both the private and public sectors of an economy. management accounting tools also includes variance analysis particularly with manufacturing companies (France, 2010).

Be that as it may, the structure of an organization is put in place to effectively coordinate and link the people working together for effective and efficient use of scarce resources at their disposal in line with management's overall set objectives, vision, and mission. In reality, institutions cannot run without a proper organizational structure in place or chain of command to translate management economic decisions to reality effectively.

Gholam, Maryam and Aghdas (2016) stated that organization is composed of elements, relations between elements and structure as a generality composing a unit. They believe that structure is high combination of the relations between organizational elements forming existence philosophy of organizational activity. To them, systematic view of organization to structure shows that structure is composed of hard elements on one side and soft elements on the other side. They agree that organizational structure is a method by which organizational activities are divided, organized and coordinated. To them, organizations create the structures to coordinate the activities of work factors and control the member performance. In addition, they argued that organizational structure is shown in organizational chart.

Accordingly, there is no organization that does not practice management accounting in one way or the other. One of the critical management accounting practicing tool used in the public sector is the budgetary process and no governmental organization can avoid it; although, budgeting process is used in both the private and public organizations for the purposes of planning and controlling activities, it is more pronounced in the public sector. However, none can use several to measure organizational structure. This study adopts centralization as proxy to organizational structure. Thus, the general objective of this study is to examine organizational structure and management accounting practice. While the specific objective is to determine centralization and management accounting practices in tertiary institutions in Bayelsa State. One of the key management accounting practice tools used in the University system which is a public organization is the budgetary process, even though it is not conspicuously represented in the organizational chart. It is fully represented in the Bursary department which functions as the responsibility center for all operations relating to finances and is known as the budgeting section.

Several scholars have shown increasing interest in organizational structure and management accounting practice literature and different dimensions has been used in such studies to measure organizational structure and management accounting practices and that is why there has been no compromise in the right variable mix to use as measures in such studies. However, few studies shows that selected indicators of organizational structure have a strong positive impact on the role of Management accounting practices. On the contrary, there is also evidence indicating the opposite that organizational structures don't have any influence on management accounting practice; it all depends on the variables used in such study (Christopher, 2018; Sudhashini & Yee Soon, 2017; Tijani & Samira, 2017; Jansen, 2018). However, scholars are bothered with the question of how much is the level of usage of management accounting practice tools in tertiary institutions? Which of the management accountings practices tools is best used in tertiary institutions? How centralization impacts on management accounting practice. It is based on the above premise the researcher adopt centralization as the proxy for organizational structure in relation to management accounting practic.

# LITERATURE REVIEW

**Conceptual Clerification**

Organizational structure is a system that outlines how certain activities are directed in order to achieve the overall goals of the organization. This activity includes rules, roles, and responsibilities. Also, organizational structure determines how information flows between levels within the organization. For instance, in a centralized structure, decisions flow from the top down. By Putting an organizational structure in place allows companies to remain efficient, and focused and provides clarity for everyone at every level which means that each and every department can be more productive, as they are likely to be more focused on energy and time. That is the more reason why businesses of all shapes and sizes use organizational structures heavily because it defines a specific hierarchy within an organization. A successful organizational structure defines each employee's job and how it fits within the overall system. Simply put, the organizational structure lays out who does what so that the company can meet its set objectives. This structuring provides a company with a visual representation of how it is shaped and how it can best move forward in achieving results. In addition, organizational structures are normally illustrated in a form of chart or diagram like a pyramid, where the most powerful members of the organization sit at the top, while those with the least amount of power are at the bottom. Not having a formal structure in place may prove difficult for certain organizations. For instance, employees may have difficulty knowing to whom they should report. That can lead to uncertainty as to who is responsible for what in the organization. Thus, an organizational structure is either centralized or decentralized. Traditionally, most organizations have been structured with centralized leadership and a defined chain of command. The military is an organization famous for its highly centralized structure, with a long and specific hierarchy of superiors and subordinates. In a centralized organizational system, there are very clear responsibilities for each role, with subordinate roles defaulting to the guidance of their superiors (wwwinvestopodia.com).

Several scholars have made an effort to isolate the underlying dimensions of organizational structure empirically. While many researchers prefer to use Weber's basic bureaucracy model as a critical point of departure for measurement, others prefer to adopt different measures on how well their organization's structure meets the set objectives. Some of the measures commonly used by organizations include functional specialization, formalization of a role, and lack of autonomy, a delegation of authority, centralization index, functional dispersion, hierarchical Control, functional specificity, staff density, administrative density, vertical span, institutional approach, and the survey approach.

According to Rashed (2017) centralized organizational authority may be successful for small companies. He believed that small companies have few levels of the hierarchy. And that there is no need for any participative organization structure in centralized authority. Usually, to him, a centralized organization has a high level of hierarchy authority and low level of engagement in the decision making. He believes that in a centralized organizational culture, employees are not directly involved in the achievement of organizational goal.

According to Alzoubi (2018) some of the management accounting practicing tools includes activity-based management, target costing, quality cost, product life cycle costing, theory of constraint, total quality management, just-in-time, budgetary process, standard costing, environment management, and balanced scorecard. These are the current modern management accounting practicing tools. He believed that most large manufacturing firms adopted target costing, balanced scorecards, quality cost, and environmental management tools. The reason why some of them adopt target costing is because it’s an important MAP tool to enhance management's awareness of costs and therefore focus on profit margin, which strengthens the competitive position. The balanced scorecard contributes to providing a clear vision of the enterprise about its current status and future. His observations agree with study samples from Jordanian industrial corporations which showed that target costing had been widely adopted.

According to Siroos & Mostafa (2015), there is no organization that does not make use of the management accounting practice tool called budgeting practice. It is used both in the public as well as the private sector of an economy. Most of the books on financial matters use the terms budget and budget control interchangeably. However, these two terms differ in theory and practice. “The term budget refers to the prediction and estimation of future organizational needs according to previous figures and statistical data for a specific period of time whereas budget control refers to the actual comparison of obtained results with the figures and data relating to budget in order to take necessary actions for solving or preventing the recurrence of deviations.” In this sense, budget shows the objectives while budgetary control shows the obtained end result. Management can used budget control with the help of accounting and, in this way, reduce the waste of financial and human resources in organizations. Needless to say, the task of management accounting is to determine the costs with precision through conducting necessary studies and prevent the waste of resources. In addition, with the proper deployment and utilization of equipment and manpower in the intended direction, management can avoid the occurrence of waste. They believe that budget control can predict the waste of resources that occurs in operations, and management can use budget control to reform the situation and consider such situations to avoid the recurrence of the waste of resources in the provision of future budgets. As a result, budgetary control is not only effective, inclusive and practical for the controlling and direction of activities and the prevention of activities that are carried out on a path other than what was intended but it is also one of the best ways to exert control in organizations.

## Theoretical framework

Although several organizational theories explain the organization and its structure, Weber's bureaucratic approach and administrative theory are the two most pervasive organizational theories under the Classical organization theory. However, the departure point for all organizational theory has its root in Weber's bureaucratic approach. This approach considers the organization as part of wider society based on structure, specialization, predictability, stability, rationality, and democracy. The concept of bureaucracy is widely disseminated in sociology and organizational Theory studies. Currently, it has an image where negative aspects are often highlighted. However, Max Weber's, bureaucracy has very specific features that differ, in various situations, from the application and representation often ascribed to this organizational administration model (Sandro & Carlos 2019). Generally, bureaucracy is associated with very negative features of organizations, such as delays in operation, action centered on opaque standards, excessive requests for documentation, or even countless difficulties in meeting users or customers' demands (Godoi, Silva, & Cardoso)

Also, bureaucracy may have a relationship with the internal control system put in place by management. Internal controls are the mechanisms, rules, and procedures implemented by the management of an organization to ensure that its financial and accounting information, promote accountability, and prevent fraud (www. Investopedia.com). Standard costing technique is another management accounting practice tools in internal Control. According to Kayoed (2009) this is a predetermined calculation of how much cost should be under specific working conditions. The finances of a University system allow for standard costing technique, which is an element of management accounting practice.

The importance of management in an organization cannot be over-emphasized because it is a factor that determines organizational success, which scholars have long studied. A few of the reputable management scholars who had contributed a lot in the development of theoretical base on management and organizational structure theory includes, F. W. Taylor, Max Weber, Elton Mayo, and Henri Fayol. These persons dedicated the whole of their time experimenting with several management theories toward a successful management process. Today, they are regarded as the fathers of management scholarship. The results of experiments carried out by them led to the postulation of several management principles and theories. However, one of the most perverted amongst many management principles postulated is that of Henri Fayol in 1949, it is titled “the 14 principles of management". The popularity and wide adoption of these principles made researchers nickname Henri Fayol, as the modern management father. Over the years, researchers opine that these principles advocated by Fayol had transformed the administration and management style into what it is today; and in a way, the organization today implements Fayol" s principles of management (Wetzel, 2003; Wren, Bedeian, & Breeze, 2002).

**14 Principles of Management by Henri Fayol Division of Work**

## Division of Work

The principle states that staffs perform better at work when they are assigned jobs according to their specialization. Hence, the division of Work into smaller elements turns out to be dominant. Specialization is considered vital as staff carry out specific tasks at a single time and routine duty (Uzuegbu & Nnadozie, 2015). This applies to organizations with many employees as well as those that have few employees. The principle also states that Work should be divided amongst people capable of doing the Job and not overloading a concentrated few individuals. Work should not be diluted by giving the same Work to too many people. This principle helps ensure proper utilization of labor, keeps them focused, and industrious. Fayol argued that efficiency and effectiveness could be achieved if one staff member is doing one thing at a time, and another staff is handling another at the same time. Thus, Fayol's idea was that a particular group of staff could not carry out all the jobs simultaneously; there is a need for labour division to exercise specialization. This is argument collaborates with (Blackburn & Rosen, 1993), that successful organizations apply staff empowerment and participatory Management against the responsibility and authority principle. Thus, division of Work may be related to management accounting because responsibility centre is critical in management accounting. According to Kayode (2009), a responsibility centre is a Unit of an organization headed by a manager and directly responsible for its performance. These centers result from the fear that large diversified organizations are difficult, if not impossible, to manage as a single segment. Therefore, they must be decentralized or separated into manageable parts.

## Discipline

This principle encourages clearly-defined rules and regulations intended to achieve good employee obedience and discipline. Discipline is often a part of an organization's core values in respectful interactions, ethical conduct, and proper dress codes. This principle is seen as the engine oil to make an organization run smoothly. Management must take responsibility for discipline to be maintained in an organization. Discipline is part of the process that makes an organization from promotion down the line to the employee career chain. If norms, rules and organization disorder do not adequately guide employees, Fayol observed that the natural human tendencies to lawlessness and perceived level of the organizational chaos would be the result. Thus, discipline at all levels requires good superiors, judicious application of penalties, transparent and fair agreements. However, the discipline has a relationship with management accounting, according to Safiyah (2015 discipline on the administration of an organization as a concept is the interrelationship between management and the personnel. The idea of discipline is broadly based on identifying administration aspects such as communication, decision-making process, staff development, facilities maintenance, and administration of examinations, inspection and supervision.

## Unity of Command

Fayol believes that employees and subordinates should have one boss only. If employees get orders from two superiors simultaneously, the principle of unity of command may be breached. In other words, employees should receive orders directly from one boss only. Violating this principle means authority is dented, discipline is in peril, directive disturbed, and stability threatened. A glance into predominant situations in most organizations these days where Work is done in groups and teams indicates that each group will have a supervisor who gives out orders. And, this supervisor is not the sole or general manager (Uzuegbu & Nnadozie, 2015). "Fayol was not denotative to show whether it is only one person that can give instructions or whether more persons can give directives/education at the same time to employees. The concept of the unity of command is a classical principle of management theory; it provides that an employee is a responsibility to only one supervisor, who in turn is responsible to only one supervisor, and so on up the organizational hierarchy. This is true even when the top of the organization is led by a group of people (www.study.com)

## Unity of Direction

This principle states that every group in an organization should have one direction, through coordinated and focused effort to achieve the same objectives (NCERT, 2015). Each group of activities with the same objective should have one head and one plan. This principle ensures the coordination and unity of action. It proposes that there should be only one plan, one objective, and one head for each plan (Drucker, 1954). But, this should not be conflicted with departments that seemingly have their specific objectives. Fayol observed that an organization will naturally have central objectives that need to be followed and departmental and unit goals that need to meet the unified objective. Thus this concept is found in administrative management theory; it provides that there should be only one leader and one plan for a series of activities seeking the accomplishment of the same objective www.study.com)

**Subordination of Individual Interests to Organization's Interests**

Uzuegbu and Nnadozie (2015) opined that a staff interest must not supersede that of the organization. This means there is a need for employees to sacrifice their personal interests for the organization's goal. In other words, if any staff goes against the objectives of the organizations and neglect to establish a positive civic virtue of the organization, such staff should not be tolerated. They claimed that this is one rigid way of pursuing organizational or corporate success. They also argued that the principle no longer in use due to so many reasons. Backing this argument was Mayor (1933), and McGregor (1960) proved that employees work better when valued and given a good sense of belonging. Thus the concept of subordination of individual interest is basically of particular interest to general interest. It means that the interest of the organization is above the interest of the individual and the group. It can be achieved only when managers in high positions in their organizations set an example of honesty, integrity, fairness and justice. It will evolve an attitude of and a spirit of sacrificing their interest whenever it becomes apparent that such personal interest conflicts with organizational interest (www. quora. Com)

## Remuneration

Fayol insists that there is nothing like a perfect system; employees always have a motivator when involved in Work; one vital motivator to employees is wages. He suggests that the significant process of remuneration paid to employees should be fair, reasonable, satisfactory to both employer and employees, and rewarding their efforts. Remuneration should be deserved and determined based on the organization's financial State, employee job role, cost of living, etc. This will reduce tension at the workplace, increase productivity, reduce conflict and differences amongst staff, increase productivity, and promote a synergized working environment. He further added that benefits such as free education, rent allowance, medical allowances, and other fringe benefits, be added to an employee's package as this will boost motivation at Work. A supervisor should receive more pay than operational staff. Therefore, by virtue of article of association and level of responsibilities, a supervisor appointed by Management is supposed to earn more than the subordinates (Uzuegbu & Nnadozie, 2015). Thus the concept of remuneration has a crucial relationship with management accounting. According to Emmanuel (2005), labour has been one of the vital factors or has contributed a lot to every organization's development; without labor, and no organization can accomplish its objective or goals. Hence, the existence of labor is to ensure that organizational goals are achieved. In providing labor for production of goods and service, man is paid wages as a reward to labor. That is to say, labor is essential to production without which production is not complete.Wages (remuneration) as a reward for labor is an excellent incentive for workers to increase productivity. Remuneration is, therefore, salaries paid to stimulate labor and productivity. Labor itself exerts material and physical human effort on production activity in management accounting to achieve organizational goals and objective.

## Centralization and Decentralization

Centralization refers to the amount of Control lying with people in an organization. It is the concentration of decision making authority in an organization. Centralization is when few selected people in Control of making decisions in an organization, especially when the concentration of Control of an organization is under a single authority, occurs mostly in large organizations. On the other hand, Decentralization is when many people have the authority to make decisions in the organization. It is when **decision-making** authority is distributed throughout a larger group, mostly in smaller businesses. Most large companies always have several Strategic Business Units which in a way is a form of Decentralization. Therefore, there is a need to strike a balance between Centralization and Decentralization because these SBU "s are given their decision-making power (Bhasin, 2016). Thus Centralization has a relationship with management accounting where authority is vested or concentrated in a few individuals' hands. According to matt Barrett centralization in management is the organizational structure where a small handful of individuals make most of the decisions in a company (www. personal finance.com)

## Scalar Chain

This is known as the formal lines of authority from highest to lowest ranks. (NCERT, 2015). It is a hierarchy principle which is essential to initiate unity of direction. The principle emphasizes that communication means in an organization being vertical, insisting that there should be a single uninterrupted chain of authority existing in the organizations. According to Fayol, ' organizations should have a chain of command and a means of communication that will run from top to bottom.

Managers and subordinates are expected to follow this chain of communication ". The scalar chain represents a straight line of authority in an organization so that when the need arises if there is any "Escalate things", you know the line of authority to handle the situation (Bhasin, 2016). Thus this principle has a clear relationship with management accounting in communication as communication is a crucial aspect of an organization. It revolves around communication flow from management to the lowest rank in the organization; it is a chain of supervisors from top management to the lowest level. A clear line of communication is very significant for any organization to achieve its set goals and objective. The flow of communication has to be for it to be effective; the scalar chain identifies that role in management accounting. Hence, this concept identifies that any information should follow a pre-defined path, from the supervisor to the lowest position. It is meant to avoid any ambiguity. To be effective, the chain pattern should be followed at every department of the organization, and the process should not be tinkered with for it to remain effective (m. economictimes.com).

## Order

An order does not mean that a boss is sited at the top and will be commanding and dishing out orders to staff on what to do and what they should not do. Order simply means that things should be done in an orderly manner in the organization. Thus, if Work is not done accordingly, there will be a miss understanding. Fayol stated that people and materials must be assigned to the right employees at the right places and at the right time for maximum use." This principle further states that the right Job should be given to the right employee in an organization, and every material item should be kept in the right place (Rodrigues, 2001). Maintenance of order is a critical principle in Henri fayol's *14 principles of Management*. An organization policy is geared towards making provision in every vital area of the organization, all the necessary things required to complete a job in the right way; there will be no interruption in the business activities, promoting increased productivity and efficiency.

## Equity

In every level of Management, this principle should be followed and applied. There shouldn't be any form of discrimination regarding sex, status, religion, etc. (Okpara, 2016). Fairness can be said to be in a similar context with Equity. According to Mtegenzo (2009), the combination of fairness, kindness and justice towards employees is regarded as Equity. Thus, for employees to be loyal and committed to their jobs, they are expected to be treated fairly, just like people of a higher level of authority and position, most significantly, managers should express impartiality in their dealings. In the opinion of Fayol, managers should be fair at times to their staff, but at the same time exhibits harshness and power for the sake of Equity. The most common excuse employees typically give in organizations for promotion or better remuneration is that another employee is preferred over them. Thus, non-partisan organizations are the once observed to be maintaining Equity amongst everyone (Bhasin, 2016).

## Stability of tenure

This principle is linked with the tenure of staff in the organization. It emphasizes the need to employ the right staff and train them on the Job with anticipation to retain them for an extended period. Fayol suggested that this principle be posited as one of the critical principles. According to Fayol, an organization stands a better chance to grow faster if its employees are stable. For instance, big companies seriously consider the turnover of employees. Employers employ various measures to keep their employees, especially when they know that such employee is indispensable. This principle is established in the belief that staff with a secured long-term tenure will use their knowledge and experience from working in the organization to initiate productivity, innovation, and help the organizations grow and further increase the organizations' profit base. Furthermore, it can be debated to be considered as an old-fashioned way of approaching Management. Modern-day management suggests recruiting ready-made employees with experience and the right qualifications because modern firms are not too interested in recruiting staff they will invest so much to train before such staff understands how the Job is supposed to be done in the organization. This is the era of recruiting the best-qualified personnel, because, from the very beginning, they will make the Job very easy and productive and afterwards get trained to improve on what they already know how to do (Uzuegbu &Nnadozie, 2015).

## Initiative

Under this principle, management should provide from time to time skills, creative ideas and better methods to accomplish tasks in the organization. This principle entails managers to be creative by initiating new ideas and also implement them. Employees are also allowed to make their contribution to productivity and innovations. This principle touches the core of managers in large companies, but organizations' idea-house and bedrock are the staff in today's business world. However, it has been observed in Western countries that group problem-solving systems are patronized against dependence on top-level Management as the problem-solving point (Magjuka, 1991). Management should, therefore, encourage employee's initiative. It is practised in modern-day companies, especially by those services rendering companies; employees are encouraged to use their initiatives in rendering quality services to customers. Moreover, there are always, procedures policies, and processes put in place to guide employees in ensuring preventive abuse of privileges and successful implementation (Okpara, 2016).

## Empirical Review

Ezekiel (2015) did a study on management accounting practices in a developing economy with a particular reference to Nigeria-listed manufacturing organizations. Considering the enormous role manufacturing organizations play in the growth and development of an economy, postulate that there is the need to put in place the right machinery to sustain this area of the economy. Thus the need for management accounting practices by manufacturing organizations. The study's three objectives were to investigate the adoption level of new management accounting techniques, identify factors that influence the choice of management accounting practice, and the extent to which those factors influenced management accounting practices. Descriptive and inferential statistics were used to run data collected for the study based on randomly selected 148 manufacturing companies listed in the Nigeria stock exchange. The result shows that cost volume profit analysis, marginal costing, accounting rate of return, discounted net present value, and the internal return rate was prominent in Nigeria's manufacturing companies. However, since activity-based management and balanced scorecard have not been fully embraced, adequate awareness is recommended for the said techniques.

Diana and Philmore (2014) investigated management accounting practices in three manufacturing companies within a public limited group company in Barbados. They observed that some manufacturing companies have been facing challenging times in Barbados, with several companies experiencing bankruptcy, especially during a global recession. Thus, the need arises to strive for profitability in Barbados' manufacturing industry through sound management accounting practices. They conducted semi-structured interviews with a production/operations manager, supervisor, and financial controller. The respondent's perception was that management accounting practices enable management to obtain relevant information for meaningful decision-making. Also, budgeting was used as a control tool within the planning process and for monitoring the cash flow. The sample size widely used the majority of management accounting practices. They did not use any sophisticated management accounting software to generate information other than the standard accounting software. Timeliness, technology, effectiveness, information needs, and best practice adoption were essential factors influencing management accounting practices. In addition, respondents perceived that the management accounting practices employed within the three entities were beneficial and contributed to the entities' success. They also found out that management accounting practices were consistent and standardized across the group.

Rashed (2017) investigated centralization in organizational structure" is it good for corporate culture? A study based on Bangladeshi private sector. This research was conducted to observe the practical value of centralization in the organization and their controllers in reaching decisions as to what kind and degree of centralization or decentralization might be advantageous under particular circumstances. He found out that centralization has no independent value on employees' performance, even when controlling for prior performance and constraints. Whereas, a decentralized organization has more chance to take part in decisions and involve the achieving goal. The primary data was collected by interviewing the HR managers from four different organizations. This study used qualitative research method.

Faruk and Gary (2016) investigated effect of two core components of organizational structure, centralization, and decentralization on management innovation. In order to do this, data received from 198 managers in a public organization in turkey has been analyzed. The result shows that centralization has a significant negative impact on management innovation. However, the impact of formalization on management innovation was not determined.

George, Nikolaos and Iordanis (2010) researched the adoption and benefits of management accounting practices: evidence from Greece and Finland. The study investigates the extent to which large-size Greek manufacturing firms have implemented various traditional and currently developed management accounting practices, the benefits received from those practices and the intentions to focus on specific practices in the future. A survey was undertaken to gather all the appropriate data by the use of a structured questionnaire. The survey design follows those of Chenhall and Langfield-Smith (1998) and Hyvonen (2005). This study's sample frame consisted of all 157 large-size Greek manufacturing companies that employed at least 250 people. The population was drawn from a database compiled by ICAP, a well-known and reliable source of data for Greek companies. The findings indicate, that, implementation rates for many currently-developed practices were of a high level and similar to those presented in other countries, in total, traditionally M.A.P. was found to be marginally higher implemented than the currently developed ones. However, there is an increasing trend for firms to emphasize now-developed techniques instead of traditional ones, particularly performance evaluation techniques. The results of this survey are compared to the findings of a similar study in Finland.

Similarly, Magdy and Robert (2006) researched "A survey of management accounting practice in U.K. Foods and drinks industries" It has been argued that new techniques are affecting the whole process of management accounting (planning, controlling, decision-making, and communication) and have shifted its focus from a 'simple' or 'naive' role of cost determination and financial control to a 'sophisticated' role of creating value through the improved deployment of resources. The study generated data by the use of a large-scale postal questionnaire which was informed by preliminary interviews. Further interviews were carried out to aid the interpretation of the responses. Descriptive statistics on the importance and frequency of use of individual practices provide the basis for discussion. The findings reveal that direct costing is widely practised and important, by contrast with activity-based costing and full absorption costing. Despite the limitations of conventional budgets, they remain a central management accounting 'pillar' and are frequently used in 'what if?' analyses. The balanced scorecard and other non-financial performance measures are perceived to be essential but never used by 40% of companies. Product profitability analyses are frequently applied and, surprisingly, the profitability of supplying individual customers is frequently calculated by over 50% of the population. They also found out that respondents were sceptical about sophisticated D.C.F. investment appraisals. They recommended that U.K. food and drinks companies are not in the vanguard when adopting new management control techniques. However, the industry's specific features, such as the high level of safety, other regulation, and the power of a small group of dominant retailers, should lead to the application of appropriate Management accounting practices.

Nur Haiza and Zahirul (2008) studied reviews of prior research in management accounting innovations covering the period 1926-2008. From their observations, no existing reviews have built upon the development of research in management accounting innovations so far. Thus, their Work is envisaged to make an incremental contribution to the management accounting literature to explore the likely trend and the State of the research of management accounting and control system and operations management. The study endeavours to synthesize the published analyses in management accounting innovations; thereby developing a better understanding of the issue. Fruitful suggestions then could be offered for future research in this area. Management accounting innovations refer to the adoption of "newer" or modern forms of management accounting systems such as activity-based costing, activity-based management, time-driven activity-based costing, target costing, and balanced scorecards. Although some prior reviews, covering the period until 2000, emphasize modern management accounting techniques, they believe that the time gap between 2000 and 2008 could entail many new or innovative accounting issues. Their findings reveal that research in management accounting innovations has intensified during the period 2000-2008, where the main focus has been on explaining various factors associated with the implementation and the outcome of innovation. They also found that research in management accounting innovations indicates the dominant use of sociological-based theories and increasing use of field studies. They recommended some directions for future research about management accounting innovations.

Okoro and Emmanuel (2012) looked at management accounting in Nigeria- An analysis of its relevance to the workplace situation. Exploratory and Survey research design were adopted for the study. The course content of 11 universities in Nigeria was analyzed to discover the scope of coverage of the identified Management Accounting techniques in the workplace. Simultaneously, a questionnaire was administered on 20 Accounting Consultants acting as surrogates for employers of Accounting Graduates coming to the work Place in Management Accountants' role. Findings include the fact that generally, Nigerian universities' course outlines cover the Management Accounting techniques in use in the Work Place. However, it was discovered that there was inadequate coverage of modern Management Accounting techniques. Employers of labor agreed that Accounting Graduates coming to the Work Place as Management Accountants were technically deficient. The implication is that Nigerian Accounting Graduates coming to the Work Place as Management Accountants were not versed in modern Management Accounting techniques. They recommend an update of management accounting course outlines in Nigerian Universities to accommodate the recent management accounting techniques. They also suggest one-year compulsory internship in the workplace for accounting students as this will increase their practical competence level. Finally, they recommend creating an enabling environment for Accounting Lecturers in Nigerian Universities to engage in more management accounting research activities.

Lucio, Stefano, and Renato (2005) did a study by presenting an empirical analysis to test whether an organization's configurations and management accounting systems change simultaneously. They used the original application of Fuzzy logic methodology by analyzing the level of development; and implementing the management accounting system on organizational configuration on a sample of 501 Italian firms. Even though they employed a cross-sectional approach, the results were interpreted according to the life cycle model. They found out that the organizational configuration's evolution is not always coherent with the management accounting system's relevance. In particular, they found many companies with a simple organizational setup and a well-developed management accounting system. They interpreted this cluster's presence dynamically as an intermediate stage of growth towards a more sophisticated form of organization.

Stanley (2012) did a research on structure, strategy, relationship, and connection. The objective was to identify the connection between strategy and structure, their relationship, and their consequent influence on organizational performance. He identified five different cases that support Chanler's (1962) proposition that "Structure Follows Strategy". These cases are; a real-life situation, Chandler's case study, Safaricom case, Bharti Airtel case, and the Kenya commercial bank case. With a good match and connection between structure and strategy, the result shows high performance, and a mismatch leads to underperformance. He concluded that structure and strategy are closely related; structure follows strategy, and each is married to the other.

Moores and Yuen (2001) studied management accounting systems and organizational configuration based on a life-cycle perspective. They adopted a configuration approach that captures possible variables (strategy, structure, leadership, and decision-making styles) and their relationships with management accounting systems (M.A.S.) from an organizational life-cycle perspective—using Miller and Friesen's life-cycle model (see Miller, D., & Friesen, P. H. 1983). The result shows that M.A.S. formality changed to complement organizational characteristics across life-cycle stages. Thus, in uncovering how and why M.A.S. formality changed during organizational development, the result also indicates that growth firms pay particular attention to increasing the formality of their M.A.S. Furthermore, they found out that between the stages of development, the selection of management accounting tools dominates information presentation in explaining the different M.A.S. life-cycle stage designs.

Juha and Hanna (2007) studied the Effect of Organizational Life Cycle Stage on the Use of Activity-Based Costing. They investigated if the use of an activity-based cost accounting system differs among firms in different organizational life cycle stages. They applied the Miller and Friesen (1983, 1984) life cycle model according to which firms' internal characteristics and the external contexts in which the firms operate differ across firms depending on their stages of development. Based on the organizational life cycle theories, they hypothesize that activity-based costing is more common among firms in maturity and revival phases than among firms in a growth phase. Their empirical analyses are based on a questionnaire to 105 Finnish firms operating in various industries and different life cycle stages that support the hypothesis. They also conduct various robustness checks of the results by using several control variables and checking potential non-response bias. Their findings remain essentially the same.

Tuan, Malcolm, and Hadrian (2010) in their Work explore the changes and potential association among environmental factors, management accounting practices, and organizational factors in Malaysian Manufacturing Companies in the Klang Valley. The sample of 500 manufacturing companies incorporated before 2003 was randomly selected from Federation of Malaysian Manufacturer (F.M.M.) Directory of 2008. This is congruent with the research objective to analyze the level of M.A.P. and organizational factors for five years from 2003 to 2007 inclusively. The questionnaire was mailed to the companies in November 2008, together with a covering. Results of the study showed that the majority of the responding companies had reacted positively to changes in a competitive business

Environment and advanced manufacturing technology. Increased changes are also reported in management accounting practices and organizational factors (namely structure, strategy, and performance). A significant positive association is found among all variables except for the competitive environment and advanced manufacturing technologies with performance. This research provides useful insights into management accounting practices and organizational change in Malaysia. Based on the above objectives, research questions, and extent literature review on organizational structure and management accounting practice, the following hypothesis was developed.

$H_{01}$: There is no significant relationship between centralization and management accounting practice in tertiary institutions in Bayelsa State.

# METHODOLOGY

This section provides a clear description of the procedures and methods used in carrying out this research such as research design, population and Sample determination, model specification, and data analysis techniques.

**Research design**

This is the structuring of investigation aimed at identifying variables and their relationships to one another. It is used for the purpose of obtaining data to enable researchers test hypotheses or answer research questions; it also serves as a useful guide to the researcher in his effort to generate data for the study. In this study, the Survey research design was adopted; A major character of a survey design is lack of control, the researcher is interested in observing what is happening to sample subjects or variables without any attempt to manipulate or control them; questionnaires were administered for data collection;

**Population of the study**

The study population comprises of the seven (7) tertiary institutions in Bayelsa State. They are Niger Delta University, University of Africa, University of Otueke, Medical University, College of Education, Federal polytechnic Ekowei and Bayelsa state Polytechnic.

**Sampling procedure**

The systematic sampling technique was used as the sampling procedure to select three (3) institutions out of the seven institutions in the State; the three institutions selected includes; the Niger Delta University, University of Otueke and University of Africa.

**Sample Size of the study**

Due to the smallness of the sample population, there was no need to determine the sample size. Thus, the total of the three selected institutions were adopted as the sample size of the study. To this end, the research instrument's administration was based on the sample size of two hundred (200) staff accountants of the three selected institutions willing to complete and return the research instruments. They are 80 respondents from Niger Delta University, 80 respondents from the University of Otueke, and 40 respondents from the University of Africa. The research instrument was designed with responses benchmarked on organizational structure in line with management accounting practices in tertiary institutions. Therefore, the questions seek to establish organizational structure and management accounting practice of tertiary institutions in Bayelsa State. The data generated was keyed into SPSS Window output 21.0 software; the statistical tools used to run the data analysis were descriptive statistics, multiple Regression, and ANOVA.

**Model specification**

The Linear regression model for the relationship between Centralization and Management Accounting Practice can be seen as follows:

MAP = $f$ (CEN)

Statistically, this can be translated into an equation as follows:

MAP = $\beta 0 + \beta 1$CEN $+\mu$

Where:

MAP= Management Accounting Practice

CEN= Centralization

$\beta 0$ = constant or intercept

$\beta 1$ = coefficient or parameter of the independent Variable to be estimated through the Regression

$\mu$ = error term of the regression equation (stochastic Variable)

It is expected that Centralization can determine the application of Management accounting practices in an organizational structure. Stated as $\beta 1 > 0$

**DATA ANALYSIS AND PRESENTATION OF RESULTS**

**Descriptive Statistics**

Based on the variables specified in the above model and the data generated, descriptive statistics, multiple Regression, and ANOVA were used to run the data collected based on SPSS Window output 21.0 Software. The questions posed were related to organizational structure, proxy by Centralization (independent Variable), and Management accounting practices (dependent Variable). Questions related to CEN.-Q(1)Q(2)Q(3)Q(4)Q(5) had the smallest observation (Minimum values) and largest observations (Maximum values) of (1)(3)(4)(3)(3) and (5)(5)(5)(5)(5) respectively; At the same time the Mean and Standard deviation for CEN. are (4.69)(4.80)(4.96)(4.91)(4.98) and (.621)(.429)(.208)(.335)(.391) respectively. While questions posed on M.A.P.; Q(1)(2)(3)(4)(5) had Minimum and Maximum values of (2)(1)(1)(1)(1) and(3)(3)(3)(3)(3) respectively. Their Mean and Standard deviations values are (2.05)(1.38)(1.14)(1.31)(1.10)and (.229)(545)(.433)(.545)(.332) respectively.

**Table 1: Regression Model Summary for Centralization and Management Accounting Practice**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .932[a] | .868 | .868 | .81027 |

**a. Predictors: (Constant), Centralization**

Table 2: Analysis of Variances (ANOVA)

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 856.225 | 1 | 856.225 | 1304.143 | .000[b] |
| | Residual | 129.995 | 198 | .657 | | |
| | Total | 986.220 | 199 | | | |

**a. Dependent Variable: Management Accounting Practices (MAP)**

**b. Predictors: (Constant), Centralization**

**Table 3: Coefficients**

| Model | | Un-standardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 13.828 | .215 | | 64.201 | .000 |
| | Centralization | -.347 | .010 | -.932 | -36.113 | .000 |

**a. Dependent Variable: management Accounting Practice**

# DISCUSSION OF FINDINGS

Table 1 show the result of R-Square value which is the coefficient of determination, indicating a very high predictive power of 86.8%, implying that Centralization can determine Management accounting practice at the rate of 86.8%.

Table 2 shows the result of the Analysis of Variance (ANOVA) which is the statistical significance at a 5% confidence interval, with a p-value less than 0.05. The superscript b reports significant predictors of the Centralization and the constant. Therefore, the null hypothesis of having the predictors not different from zero or being insignificant is rejected at 0.05 level of significance

Table 3 labeled Coefficients checks the independent Variable's relevance "centralization" on Management accounting practice. The B values represent the model's estimates, while the Beta value is used to check the model's predictive power. From the above, the Beta value for Centralization is very low (i.e., -.932%), indicating that Centralization has a very low impact on management accounting, with a p-value less than 0.05. It means that Centralization negatively influences management accounting practice, but this is statistically significant at a 5% level. So the null hypothesis is rejected

**Test of Hypotheses**

**Centralization has no significant effect on Management accounting practice**

Table 1 regression result was used to verify the relationship between Centralization (explanatory Variable) and management accounting practice (Response variable) indicating that Centralization could determine management accounting practice at the rate of 86.8%. The superscript b reports a significant predictor of Centralization and the constant at 0.000 significance in table 2. It shows that the null hypothesis of having the predictor not different from zero or being insignificant is rejected at 0.05 level of significance. It leads to the conclusion that Centralization does significantly affect Management accounting practices. It is in line with the study results of (Moores & Yuen, 2001).

### SUMMARY, CONCLUSIONS, AND RECOMMENDATION

## Summary of findings

The study looks at Organizational structure and Management accounting practice of tertiary institutions in Bayelsa State. Centralization is adopted as a proxy for Organizational structure, while management accounting practices are the response variable. The administration of the questionnaire was used to generate primary data for respondents of the respective institutions selected. The data generated was keyed into SPSS Window 21.0 Software. Descriptive statistics, Multiple Regression, and ANOVA were the statistical tools used to run the data analysis. The Regression results show that the R-Square value indicates a very high predictive power of 86.6%, which implies that Centralization can determine the role of management accounting practice at the rate of 86.6%. The ANOVA analysis also shows a statistical significance at a 5% confidence interval with a P-value less than 0.05, which means that the null hypothesis of having the predictors not different from zero or significant is rejected at a 5% significance level. Also, from the coefficient result, the Beta value checks the model's predictive value. However, the Beta value for Centralization is very low (i.e., -.932%), indicating that Centralization negatively influences management accounting practice but statistically significant at a 5% level, thus rejecting the null hypothesis. Overall, the study result shows that organizational structure significantly affects management accounting practice in tertiary institutions in

Bayelsa State. It is in support of Max Weber's bureaucratic approach and administrative theory.

## Recommendation

1. That adequate awareness should be created for management accounting practice in tertiary institutions.
2. That professional practicing management accountants be employed to head management accounting sections in tertiary institutions

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