Asian Journal of Business and Management (ISSN: 2321 – 2802)
Volume 04– Issue 04, August 2016

Use of Strategic Management Accounting By Organisations

Tabitha Nasieku [1] and Nicholas Githinji [2*]

[1] Lecturer
Jomo Kenyatta University of Agriculture and Technology (Nairobi, Kenya)

[2] Phd Candidate
Jomo Kenyatta University of Agriculture and Technology (Nairobi, Kenya)

[*]*Corresponding author's email: nicholas.githinji [AT] yahoo.co.uk*

ABSTRACT— ***Decision making is a critical aspect of any organization. There are various sources of information for decision making, one such source is management accounting. For a long time management accountants have been accused of providing information that has an inward looking bias, and ignoring the strategic perspective of the business. This paper has reviewed the documented literature on the use of Strategic Management Accounting (SMA) and its role in providing information that has the strategic perspective of the business. In the early 1980's a new school of thought emerged and was advocated by Simmonds and other early adopters. The aim of this paper is to find out the extent of use of Strategic Management Accounting (SMA) or in some instances Strategic Cost Management (SCM) in business. Empirical review shows different views on the application of SMA techniques. The conclusion is that there is no strong evidence on the use of SMA.***

Keywords— Strategic Management Accounting, SMA Techniques, Strategic Cost Management, Management Accounting.

---

1. INTRODUCTION

The debate on the continued relevance of accounting led to the evolution of cost accounting to management accounting now to Strategic Management Accounting (SMA). Langfield-Smith (2008) writes that in 1981, Simmonds published a paper in the UK professional magazine, Management Accounting, in which he presented a strong case for the adoption of strategic management accounting (SMA). She further notes that at the same time in the USA, influential academics such as Robert Kaplan, Robin Cooper and John Shank were vocal critics of the state of management accounting and urged us to improve our relevance by adopting strategic cost management (SCM).During the first 10 years after the term came up, the debate was on what actually is strategic management accounting. The strong advocates of SMA are Simmonds (1981), Shank (1989), Bromwich (1996), Roslender (1995) and Kaplan and Norton (1992). Most of their work is influenced by Porter (1980; 1985) who introduced value chain analysis and five competitive forces in formulating and implementing strategy. Though there were much interests expressed on the use of SMA, the empirical studies on the effectiveness in using the SMA techniques have been scant (Lay and Jusoh 2015).

There are many definitions of SMA. A simple definition of SMA is that provided by Roslender and Hart (2003) who define it as making management accounting more strategic. SMA was defined by Simmonds (1981) as the provision and analysis of management accounting data about a business and its competitors, for use in developing and monitoring business strategy. SMA is defined by Bromwich (1990) as the provision and analysis of financial information on the firm's product markets and competitors' costs and cost structures and the monitoring of the enterprise's strategies and those of its competitors in these markets over a number of periods. Yet others define SMA as a process or in stages (Lord 1996, Dixon and Smith 1993). Still others look at SMA from a marketing perspective (Foster and Gupta, 1994; Roslender, 1995, 1996; Wilson, 1995). Langfield-Smith (2008) sums up the definitions by noting that a unifying link between these various views and definitions of SMA (and SCM) is that SMA entails taking a strategic orientation to the generation, interpretation and analysis of management accounting information, and competitors' activities provides the key dimension for comparison. CIMA (2002) gives the definition about SMA saying that it is a form of management accounting in which emphasis is placed on information which relates to factors external to the firm, as well as nonfinancial information and internally generated information. It can therefore be stated that SMA is an accounting practice that uses internal and external financial and non-financial data, and focuses on the long-term view of the organization to make decisions that shape the future direction of an organization.

There are many SMA techniques. These include target costing, life-cycle costing, strategic cost analysis, competitor cost analysis, activity-based costing, activity-based management (sometimes called activity-based cost management), attribute costing, life cycle costing and strategic performance measurement systems (Langfield-Smith 2008). A review of the use of SMA techniques by Bromwich and Bhimani (1994) in the late 1980s and up to 1994, in the UK and North America, led them to conclude that there had been a low level of adoption of SMA techniques. They however found out that SMA techniques were generally regarded by adopters as useful, and there were clear indications among survey respondents of their intent to adopt ABC in the future. This similar observation was also made by Langfield-Smith (2008) who notes that highly publicized corporate collapses led to increased pressures for tight internal controls and fraud detection. Langfield-Smith (2008) further notes that this occupied the attention of many corporate accounting departments and left little "emotional energy" for considering the strategic management accounting.

The objective of this paper is to review the existing literature on the use of Strategic Management Accounting (SMA) and its role in providing information that has the strategic perspective for better decision making. Some research opportunities have also been identified.

2. LITERATURE REVIEW

2.1 *Introduction*

Cadez and Guilding (2007) note that revisions of management accounting practices have produced a variety of novel approaches in the fields of costing, strategic investment appraisal, strategic control and performance management. They argue that paralleling developments at the level of individual accounting techniques the new term "strategic management accounting" has emerged. They note that the definition of Strategic Management Accounting by Simmonds highlighted the potential of management accountants playing a greater role in competitor analysis. According to them this perspective was significant as it pointed towards an externally-focused role for management accountants, at a time when academics and conventional practice exhibited a highly internally-focused orientation. Roslender and Hart (2003) note that there is still limited consensus on the exact meaning of the term "strategic management accounting. Most of the literature is at the conceptual level, and it is only of late that some empirical research has been directed towards SMA (Lord, 1996).

Nilsson & Rapp (1999) see that strategic management accounting as one area of research to study management control systems from a strategic perspective. A particular feature of this school is the emphasis on the idea that management control systems should provide information on the cost structure, product markets and strategies of a firm's competitors (Nilsson & Rapp 1999).

SMA may be viewed as an attempt to integrate insights from marketing management and management accounting within a strategic management framework (Roslender & Hart 2003). SMA should incorporate strategic product costing and performance measurement, analyses of the firm's product markets and competitive market forces, and the assessment of organizational strategies over extended periods of time (Horngren, Data, and Foster 2003). Bromwich (2001) sees SMA as going beyond collecting data on businesses and their competitors, to considering the benefits that products offer to customers, and how these benefits contribute to building and sustaining competitive advantage.

2.2 *Theoretical Literature*

Bromwich (1990) used two economic theories in an effort to provide theoretical support for strategic management accounting, linking the theories with Porter's taxonomy. The theory of attribute analysis supports accountants 'costing attributes and monitoring the performance of these attributes over time, which in turn contributes to Porter's differentiation strategy . The theory of contestable markets 'requires that the accountant extends cost analysis beyond the firm and report on the cost structure of rival enterprises which contributes to Porter's cost leadership strategy.

Using Porter's taxonomy, Shank (1989) and Shank and Govindarajan (1989) analyzed the relative importance of several management accounting methods depending on whether the firm was pursuing cost leadership or differentiation. They suggested that companies choosing cost leadership would put the most emphasis on the traditional cost accounting applications. They would use standard costs to assess performance, product cost as an input to pricing decisions, and flexible budgeting for manufacturing cost control. They would perceive meeting budgets and analysis of competitors' costs to be of great importance.

Porter (1980, 1985) detailed two specific ways in which managers can position their firms so they have a strategic advantage over their competitors: firms need to either differentiate their product(s) or achieve a position of cost leadership. Gaining competitive advantage is realized through value chain analysis and cost driver analysis. The aim of value chain analysis is to find linkages between value-creating activities which result in lower costs and / or enhanced differentiation. These linkages may be within the firm or between the firm and its suppliers, channels and customers. No matter which strategic position is chosen, differentiation or cost leadership, analysis of the causes of costs is important.

Govindarajan and Shank (1992) added another dimension to the expected management accounting emphasis, by linking the firm's 'mission' (ie build, hold or harvest) to its strategic position. They concluded that the accounting implications for strategic planning, budgeting and incentive compensation would be similar under both the harvest mission and cost leadership strategic position. Similarly, the accounting emphasis suggested for the differentiation strategy would also fit a build mission.

According to Langfield-Smith (2008) the published works that address SMA fall into several camps. These include normative papers that focus on case studies of the implementation of specific SMA techniques emanating mostly from the professional literature; descriptive case studies used largely for teaching purposes and to demonstrate the benefits of SMA (or SCM); case studies or fieldwork that are grounded in theory that focus on a variety of topics, and; surveys of practice that gauge the adoption and/or benefits of SMA and of SMA techniques.

Simons (1987) used questionnaires and interviews to test the relationship between accounting control systems and business strategy. Using Miles and Snow (1978) taxonomy, he divided the firms studied into prospectors and defenders. He found that prospector firms place great importance on forecast data, setting tight budget goals and monitoring outputs, with reduced importance on cost control. Large prospectors 'emphasize frequent reporting and the use of uniform control systems'. Defenders 'appear to use their control systems less intensively,' placing their emphasis on 'bonus remuneration based on the achievement of budget targets'.

On the other hand Bromwich (1990) provided persuasive arguments in favour of SMA using two theories: attribute costing and theory of contestable markets. He notes that in attribute costing products are desired for the attributes that they provide and, thus, accountants have a role to play in costing various product attributes and monitoring the performance of such attributes over time. He further adds that attribute costing would require accountants to embrace strategic information as well as cost information. This would entail costing the attributes or characteristics provided by goods and monitoring and reporting these costs regularly. On the other hand theory of contestable markets suggests that a company needs to maintain its cost advantage over current and potential competitors to have a sustainable strategy. This will involve reporting on the cost structures of competitors and potential rivals, to survive in a competitive market that is horizontally differentiated.

Configurational theory is based on concepts of equifinality, combination and reciprocity. The configurational paradigm promotes viewing organizations as clusters of interconnected structures and practices where effectiveness can be attributed to internal consistency amongst the patterns of relevant contextual, structural and strategic factors Cadez and Guilding (2012). In general, the theory is concerned with how a pattern of multiple independent variables (e.g. strategy and SMA) relate to a dependant variable (e.g. performance), rather than how individual independent variables relate to a dependant variable. Configurational theory asserts that performance is attributed to internal consistency amongst the patterns of relevant structural and strategic factors.

Delery and Doty (1996) argue that organizational performance is facilitated when an SMA system manifests both horizontal and vertical fit. Horizontal fit concerns internal consistency of an organization's practices and procedures. Given that SMA techniques exhibit outward and long-term (strategic) orientations, an equivalent degree of usage across the SMA dimensions would seem to imply internal consistency. Vertical fit refers to the congruence of SMA and firm strategy. Partial bivariate relationships between strategy dimensions and management accounting system designs have been investigated in prior studies.

2.3 *SMA Conceptual Framework*

Simmonds (1981) first introduced the term "strategic management accounting" (SMA) which involves numerous new techniques that are long-term, future-oriented and externally focused. Simmonds (1981) highlighted the potential of management accountants playing a greater role in competitor analysis. This perspective was significant as it pointed towards an externally-focussed role for management accountants, at a time when academics and conventional practice exhibited a highly internally-focussed orientation. Simmonds (1981) claimed that SMA was "spreading rapidly in practice" and that "management accountants are spending a significant proportion of their time and effort in collecting and estimating cost, volume, and price data on competition and calculating the relative strategic position of a firm and its competitors as a basis for forming business strategy." This was, however, proved otherwise by other researchers in later years.

Bromwich and Bhimani (1989; 1994) stressed the importance of qualitative and non-financial measures in manufacturing activities. According to them management accounting needs to become more externally focused to enable the enterprise to look outward to the final goods market. Bromwich (1988, 1990, 1992) provides an additional angle by including the evaluation of the enterprise's comparative advantages or value added relative to its competitors, evaluation of the benefits the enterprise's products yield over their lifetime to customers and the benefits which these sales yield to the firm over a long decision horizon.

Shank (1989) proposed the blending of three themes: value chain analysis, strategic positioning analysis and cost driver analysis from the strategic management literature to become a framework called 'strategic cost management' (SCM). Shank (1989) posits that the emergence of SCM the third stage of the development of the management accounting discipline: from cost accounting to managerial accounting to SCM. Cost accounting transformed into management accounting in the period 1945 to the 1960s. While management accounting emphasized the role of financial information in decision making across a range of business problems, it did not consider, explicitly or even implicitly, the business context in which those decisions were embedded. The rise of activity-based costing (ABC) and activity-based management (ABM) is seen by Shank (1989) as supporting the new ideas.

Bromwich and Bhimani (1994) rejected the US view that management accounting was in crisis. They suggested that the real issue for management was the inappropriateness of continuing to maintain the short term and internally-focused approach of accounting information in the face of intense global competition that demands goals of long-term sustainability and strategic positioning Bromwich and Bhimani (1994) questioned the prevailing wisdom of the time that the "perceived malaise" of management accounting was attributable to its subservience to financial accounting. Rather, they suggested it was attributable to a lack of ability among senior corporate managers who allowed this to happen, and suggested that the conditions documented in descriptive US case studies revealed that much more than just the accounting systems needed to change.

Roslender (1995) considered SMA as a "generic approach to strategic positioning" which encompasses Porter's competitive advantage theory and his strategic cost analysis. According to Roslender (1995), Kaplan initiated activity-based costing (ABC) which is based on the principle that it is activities and not products that give rise to costs. This approach eventually became activity-based management (ABM) which is capable of identifying and implementing opportunities for improvements in profitability, efficiency and quality within an entity (Roslender, 1995).

The conceptual framework of SMA advanced by Lord (1996) looks at what the competitors are doing, accounting for strategic position, gaining competitive advantage, whether strategy can be planned and the elements of strategic management accounting. According to Lord (1996) a firm which monitors market share can measure the extent to which it is gaining or losing competitive position. Knowledge of a competitor's costs enables a firm to detect when the competitor is trying to change relative competitive positions, for example, by manipulating prices. Knowledge of relative market share and cost structure enables decisions to be evaluated in the light of possible competitor reactions. Gaining competitive advantage advocates analysis of ways to decrease costs and / or enhance differentiation of a firm's products, through exploiting linkages in the value chain and optimizing cost drivers. Whether strategy can be planned challenges the basis of the other viewpoints. It points out that they assume that managers are able to deliberately plan what strategy

Tomkins and Carr (1996) note that the beginnings of a framework outline can be discerned. According to Tomkins and Carr (1996) three main themes in addressing SMA can be identified: a partial theme; a normative theme; and a positive theme. The partial SMA theme is characterized by the work of the SMA pioneers. They have consistently used the term "strategic management accounting" (or "strategic cost management") in their writings, although their focus tended to be on a particular SMA technique or dimension, such as competitor accounting (Simmonds, 1981; Rickwood et al., 1990), strategic pricing (Simmonds, 1982), attribute costing (Bromwich, 1990), or value-chain costing (Shank and Govindarajan, 1992).

The second theme has built around the premise of advancing a strategic management normative theory. Strategic management can be seen as the integration of the individual elements involved in planning, implementing and controlling a strategy. If managerial accountants are to increase their role in strategic management, commentators such as Wilson (1991), Palmer (1992), Ward (1992), Ryan (1995), Smith (1997) and Brouthers and Roozen (1999) see it as incumbent upon them to develop practices supportive of the pursuit of strategic objectives (e.g. customer information, competitor information, product information, technology information). A distinct characteristic of this second SMA theme is that the commentaries provide broadly-based conceptual models that tend to use rationale rather than empiricism for their justification.

The third theme of SMA contributions has a positive orientation. Researchers that characterise this approach (Szendi and Shum, 1999; Guilding et al., 2000; Cravens and Guilding, 2001; Hoque, 2001; Roslender and Hart, 2003) evaluate management. accounting practices and examine their degree of "strategic orientation" in an attempt to provide a SMA framework. Drawing on the framework provided, several empirical studies have then appraised the incidence of SMA usage (Szendi and Shum, 1999; Guilding et al., 2000; Cravens and Guilding, 2001).

Roslender and Hart (2002) provide a framework for integrating management accounting and marketing, to advance the potential of SMA. Building on Roslender (1996), Roslender and Hart (2002) distinguish between the approaches that have been taken to integrate management accounting and strategy, from those which seek to integrate management accounting and marketing, and generally find shortcomings in the first approach. They return to the initial formulations of Simmonds (1981) to refocus on the link between management accounting and marketing. In presenting their critique, they categorize SMA research into three groups. First is the area of quantitative research which links strategy and management control systems, of which Simons (1987) is one of the first examples. The second group, which they assess more positively, is the balanced scorecard (BSC) literature (Kaplan and Norton, 1992, 1996). The third group relates to SCM research, as presented by Shank and Govindarajan (1989). With its tools of value chain analysis, strategic positioning analysis and cost driver analysis, SCM explicitly links management accounting with strategic management, so there is a far greater precision that can be attributed to SCM, compared to SMA.

Roslender and Hart (2003) build on the concept of integration of management accounting and marketing as providing the new direction in SMA. They see the synergistic relations that are needed to progress SMA as being at the opposite end of the spectrum from traditional relationships. These relationships will require managers to abandon their discipline-focused practices to adopt greater inter-functional co-ordination, and possibly more toward an area that they term "strategic marketing management accounting (Roslender and Hart 2003).

Cadez and Guilding (2007) note there is limited consensus on what constitutes an SMA conceptual framework. This signifies that there is no movement beyond the point of a limited consensus with respect to what constitutes an SMA practice or technique, and that a degree of subjectivity is bound to be involved when attempting to develop a listing of SMA techniques. Techniques qualifying as "strategic management accounting" should exhibit degrees of one or more of the following orientations: environmental, competitive, marketing, or long-term, forward-looking orientation. The following 12 SMA techniques have been identified: attribute costing, brand value budgeting and monitoring, competitor cost assessment, competitive position monitoring, competitor appraisal based on published financial statements, life cycle costing, quality costing, strategic costing, strategic pricing, target costing, and value chain costing (Guilding et al.2000).

Cadez and Guilding (2008) introduced two dimensions of SMA - usage of SMA techniques and accountant's participation in strategic decision-making process - which play as mediators in the contingency model. Though SMA usage mediates the relationship between strategy and firm performance, Cadez and Guilding (2008) were not able to find any association between market orientation and SMA usage, and between strategic role of accountant and firm performance. Cadez and Guilding (2008) reported that there are 16 SMA techniques which can be classified into five broad categories: costing; planning, control and performance measurement; strategic decision-making; competitor accounting and customer accounting. The list appears not exhaustive, as Bhimani and Langfield-Smith (2007) have also included interactive management control systems (MCS) as another strategic oriented technique.

Lay and Jusoh (2015) note that the findings by Cadez and Guilding (2008) have also omitted an important contextual factor, intensity of competition. The study by Lay and Jusoh (2015) is motivated by the two dimensions of SMA introduced by Cadez and Guilding (2008) and their research gap is in relation to intensity of competition as a contextual factor. Lay and Jusoh (2015) demonstrates that firm performance is enhanced by the accountants' participation in strategic decision making processes (strategic role of accountant) and usage of SMA techniques. They further argue that intensity of competition and strategic role of accountant are posited as the antecedents to usage of SMA. The model by Lay and Jusoh (2015) assumes that usage of SMA functions individually as a mediator for the relation between the predictor (strategy) and the criterion (firm performance).

2.4 *Empirical Literature*

Bromwich and Bhimani (1994) reviewed the findings of major surveys of practice in the late 1980s and up to 1994, in the UK and North America, which led them to conclude that there had been a low level of adoption of SMA techniques. However, according to Bromwich and Bhimani (1994), the surveys found that SMA techniques were generally regarded by adopters as useful, and there were clear indications among survey respondents of their intent to adopt ABC in the future. In particular Bromwich and Bhimani (1994) note that there were strong arguments supporting the contention that traditional forms of management accounting were based on redundant assumptions. In particular, they saw ABC as having the potential to overcome some of the problems of conventional management accounting techniques.

The published works that address SMA fall into several camps. These include normative papers that focus on case studies of the implementation of specific SMA techniques emanating mostly from the professional literature; descriptive case studies used largely for teaching purposes and to demonstrate the benefits of SMA (or SCM); case studies or fieldwork that are grounded in theory that focus on a variety of topics, and; surveys of practice that gauge the adoption and/or benefits of SMA and of SMA techniques (Langfield-Smith 2008). Many of the major case studies that appeared in the 1980s and 1990s were written for teaching purposes, and sometimes were also captured in academic papers and books. In the main, these case studies were not theoretically-based, and focused on "real life" demonstrations of the benefits of moving away from "traditional" costing techniques and adopting a particular SMA technique (Langfield-Smith 2008).The case studies that can be found in the research literature are wide ranging and focus on many different aspects of accounting and strategy. Rarely have they focused simply on adoption or implementation of SMA, or of one of the SMA techniques. Rather, they have tended to emphasize the complexity of the accounting-strategy relation, and to focus more on processes and issues concerning the use and the influence of accounting information (Langfield-Smith 2008). In short this meant that SMA was a theoretical concept that had not been tested in real life

Fowzia (2011) investigates the usage levels of different strategic management accounting techniques such as the relationship with industry type, industry size, strategic pattern, strategic mission and strategic positioning in manufacturing organizations of Bangladesh. He focuses on the influential techniques to attain strategic effectiveness of manufacturing organizations. Findings reveal that the overall adoption level is in between the medium and low adoption level. Except in case of type of industry, the usage level is different regarding industry size, strategic pattern, strategic mission and strategic positioning. Fowzia (2011) concludes that strategic management accounting techniques are linked to the issue of the need for external information to face the uncertainties of environment and to support strategic decisions. He also adds that a total of seven strategic management accounting techniques are medium adopted such as activity-based costing (ABC), benchmarking, competitive position monitoring, life cycle costing, quality costing, strategic costing and target costing. Fowzia (2011) also found out that there is no difference in using different types of strategic management accounting techniques among different types of industries.

Since the mid-1980s criticisms about the current state of management accounting practices were widely publicized in the professional and academic literature (Kaplan, 1984; 1986; Johnson and Kaplan, 1987; Ashton et al, 1991; Bhimani and Bromwich, 1992). The criticisms raised have carried considerable resonance, as Cravens and Guilding (2001) note that the recent past reflects something of a management accounting renaissance. Revisions of management accounting practices have produced a variety of novel approaches in the fields of costing, strategic investment appraisal, strategic control and performance management. Paralleling developments at the level of individual accounting techniques the new term "strategic management accounting" has emerged. Hoque (2001) sees the significance of SMA to be such as to view it as a whole new discipline.

While the SMA literature has since grown there is still limited consensus on the exact meaning of the term "strategic management accounting". Most of the literatures regarding strategic management accounting were at the conceptual levels. The overall findings of researches in the area revealed some significant issues such as the strategic management accounting techniques were not strategy-driven, some strategic management accounting techniques had influence on financial performance improvement, the intensity of the usage of strategic management accounting techniques were high in New Zealand compared to UK and USA, some cost-oriented strategic management accounting techniques were applied more extensively in Slovenian companies than in the Australian benchmark sample, several strategic management accounting techniques appeared to be used in Italian companies as they were in other countries investigated in different studies, there were significant usage of strategic management accounting techniques in Nigeria manufacturing companies (Fowzia 2011).

One of the most important requirements of strategic management accounting is to change its focus from the concept of cost management to a broader and more inclusive concept of profitability management (Mohamed and Jones 2014). According to them this requires dealing with profitability as the result of a number of drivers, understanding how all drivers affect profitability and managing them by using a set of appropriate strategic management accounting techniques. Improving profitability is important, but to achieve this, companies use different approaches and different management accounting tools. In utilizing management accounting, a strategic perspective is required to ensure the maximization of profitability. Strategic management accounting has created an opportunity for companies to change the way they "manage" profitability and to define a new strategic profitability model that can improve profitability (Mohamed and Jones 2014).

3. CONCLUSION

The debate about the relevance of management accounting has persisted for long. The pioneer of this change, notably, is Simmonds who coined the term SMA in 1981. Simmonds (1981) advocated for the need to change management accounting towards external orientation, going contrary to what the practice and the academicians said then. Other notable advocates are Shank (1989), Bromwich (1996), Roslender (1995) and Kaplan and Norton (1992).

Simmond's initial claim that SMA was spreading first has received mixed reactions with evidence indicating otherwise. Criticism of SMA has been advanced by many authors (Kaplan, 1984; 1986; Johnson and Kaplan, 1987; Ashton et al, 1991; Bhimani and Bromwich, 1992). Moreover the exact definition of SMA has not been agreed upon (Roslender and Hart 2003 and Fowzia 2011).

The adoption of SMA techniques low in the UK and North America was reported by Bromwich and Bhimani (1994) to be low. Contrary to this view Fowzia (2011) has noted that some strategic management accounting techniques had influence on financial performance improvement, the intensity of the usage of strategic management accounting techniques were high in New Zealand compared to UK and USA, some cost-oriented strategic management accounting techniques were applied more extensively in Slovenian companies than in the Australian benchmark sample, several strategic management accounting techniques appeared to be used in Italian companies as they were in other countries investigated in different studies, there were significant usage of strategic management accounting techniques in Nigeria manufacturing companies.

Thus it can be concluded that there are mixed views on the use of SMA techniques by corporate organisations both in the developing and the developed world. The fact that there is also not an agreed definition of SMA is a point of interest for research. The study also presents a good case for Kenya and especially on the non-manufacturing companies since past studies have focussed on the manufacturing industry.

4. REFERENCES

- Abdelmoneim A and Jones T, "Relationship between strategic management accounting techniques and profitability – a proposed model", Measuring Business Excellence, Vol. 18 Iss 3 pp. 1 – 22,2014.
- Bromwich, M. and Bhimani, A., Management Accounting: Evolution not Revolution, Chartered Institute of Management Accountants, London, 1989.
- Bromwich, M., “The case for strategic management accounting: the role of accounting information for strategy in.competitive markets”, Accounting, Organizations and Society, Vol. 15 Nos 1/2, pp. 27-46, 1990.
- Bromwich, M. and Bhimani, A., Management Accounting Pathways to Progress, Chartered Institute of Management Accountants, London, 1994.
- Brouthers, K.D. and Roozen, F.A., “Is it time to start thinking about strategic accounting?”, Long Range Planning, Vol. 32, pp. 311-22, 1999.
- Cadez,S and Guilding,C., "Benchmarking the incidence of strategic management accounting in Slovenia", Journal of Accounting & Organizational Change, Vol. 3 Iss 2 pp. 126 – 146, 2007.
- Cadez,S and Guilding,C. ,"Strategy, strategic management accounting and performance: a configurational analysis", Industrial Management & Data Systems, Vol. 112 Iss 3 pp. 484 – 501, 2012.
- Carr, C. and Tomkins, C., “Strategic investment decisions: the importance of SCM. A comparative analysis of 51 case studies in UK, US and German companies”, Management Accounting Research, Vol. 7, pp. 199-217, 1996.
- CIMA, Management accounting official terminology, 2002.
- Cooper, R., “Look out, management accountants, part 1”, Management Accounting, Vol. 77 No. 11, pp. 20-6, 1996.
- Cravens, K.S. and Guilding, C., “An empirical study of the application of strategic management accounting techniques”, Advances in Management Accounting, Vol. 10,pp. 95-124, 2001.
- Delery, J.E. and Doty, H.D., “Modes of theorizing in strategic human resource management: tests of universalistic, contingency, and configurational performance predictions”, Academy of Management Journal, Vol. 39, pp. 802-35, 1996.
- Dixon, R. and Smith, D., “Strategic management accounting”, Omega, Vol. 21 No. 6, pp. 605-18, 1993.
- Fowzia, R., “Strategic Management Accounting Techniques: Relationship with Business Strategy and Strategic Effectiveness of Manufacturing Organizations in Bangladesh”. World Journal of Management Vol. 3. No. 2. September 2011 Pp. 54-69, 2011.
- Foster, G. and Gupta, M., “Marketing, cost management and management accounting”, Journal of Management Accounting Research, Vol. 6, pp. 43-77, 1994.
- Guilding, C. and McManus, L., “The incidence, perceived merit and antecedents of customer accounting: an exploratory note”, Accounting, Organizations and Society, Vol. 27, pp. 45-59, 2002.
- Guilding, C., Cravens, K.S. and Tayles, M., “An international comparison of strategic management accounting practices”, Management Accounting Research, Vol. 11, pp. 113-35, 2000.
- Hoque, Z., Strategic Management Accounting, Chandos Publishing, Oxford, 2001.
- Kim Langfield-Smith,"Strategic management accounting: how far have we come in 25 years?", Accounting, Auditing & Accountability Journal, Vol. 21 Iss 2 pp. 204 – 228, 2008.

- Lay,TA and Jusoh,R, "Business strategy, intensity of competition, strategic role of accountants, strategic 17 Dec management accounting and firm performance In: 9th Conference on New Directions in Management Accounting , 15- 2014, Brussels, Belgium, 2015.

- Lord, B., "Strategic management accounting: the emperor's new clothes?", Management Accounting Research, Vol. 7 No. 3, pp. 347-66, 1996.

- Miles , R . E . and Snow , C . G., Organizational Strategy, Structure , and Process , NewYork , McGraw-Hill, 1978.

- Palmer, R.J., "Strategic goals and objectives and the design of strategic management accounting systems", Advances in Management Accounting, Vol. 1, pp. 179-204, 1992.

- Porter , M . E ., Competitive Strategy : Techniques for Analyzing Industries and Competitors, The Free Press, New York, 1980.
- Porter , M . E ., Competitive Advantage: Creating and Sustaining Superior Performance, , The Free PressNew York, 1985.

- Rickwood, C.P., Coates, J.B. and Stacey, R.J., "Stapylton: strategic management accounting to gain competitive advantage", Management Accounting Research, Vol. 1, pp. 37-49, 1990.

- Roslender, R., "Accounting for strategic positioning: responding to the crisis in management accounting", British Journal of Management, Vol. 6 No. 1, pp. 45-57, 1995.

- Roslender, R., "Relevance lost and found: critical perspectives on the promise of management accounting", Critical Perspectives on Accounting, Vol. 7, pp. 533-61, 1996.

- Roslender, R. and Hart, S.J., "Integrating management accounting and marketing in the pursuit of competitive advantage: the case for strategic management accounting", Critical Perspectives on Accounting, Vol. 13 No. 2, pp. 255-77, 2002.

- Roslender, R. and Hart, S.J., "In search of strategic management accounting: theoretical and field study perspectives", Management Accounting Research, Vol. 14 No. 3, pp. 255-79, 2003.

- Ryan, B., Strategic Accounting for Management, The Dryden Press, London, 1995.

- Shank, J.K. and Govindarajan, V., "Making strategy explicit in cost analysis: a case study",Sloan Management Review, Vol. 29 No. 3, pp. 19-29, 1988.

- Shank, J.K., "Strategic cost management: new wine, or just new bottles?", Journal of Management Accounting Research, Vol. 1, pp. 47-65, 1989.

- Shank, J.K. and Govindarajan, V., Strategic Cost Analysis – The Evolution from Managerial to Strategic Accounting, Irwin, Homewood, IL, 1989.

- Shank, J.K. and Govindarajan, V., "Strategic cost management: the value chain perspective", Journal of Management Accounting Research, Vol. 4, pp. 179-97, 1992.

- Shank, J.K. and Govindarajan, V., Strategic Cost Management –The New Tool for Competitive Advantage, The Free Press, New York, NY, 1994.

- Shank, J.K., "Strategic cost management: upsizing, downsizing, and right (?) sizing", in Bhimani, A. (Ed.),.Contemporary Issues in Management Accounting, Oxford University Press, Oxford, pp. 355-79, 2007.

- Simmonds, K., "Strategic management accounting", Management Accounting, Vol. 59 No. 4, pp. 26-9, 1981.

- Simons, R., . Accounting control systems and business strategy: An empirical analysis , Accounting , Organizations and Society, 12 (4) , 357 – 374, 1987.

- Smith, M., Strategic Management Accounting: Text and Cases, Butterworth-Heinemann, Oxford, 1997.
- Szendi, J.Z. and Shum, C., "Strategic management accounting practices in Latin America", Journal of Accounting and Finance Research, pp. 1-13, 1999.
- Ward, K., Strategic Management Accounting, Butterworth-Heinemann, Oxford. America", Journal of Accounting and Finance Research, pp. 1-13, 1992.
- Wilson, R.M.S., "Strategic management accounting", in Ashton, D., Hopper, T. and Scapens, R.W. (Eds), Issues in Management Accounting, Prentice-Hall, Englewood Cliffs, NJ.,1991
- Wilson, R.M.S. (1995), "Strategic management accounting", in Ashton, D., Hopper, T. and Scapens, R. (Eds), Issues in Management Accounting, Vol. 2, Prentice-Hall Europe, London, pp. 159-90, 1995.