



STRATEGIC MANAGEMENT ACCOUNTING, DIGITALIZATION OF ACCOUNTING PRACTICES AND PERFORMANCE AMONG CONSUMER GOODS FIRMS IN LAGOS STATE

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Abstract

Modern management accounting practices have posed challenges for global manufacturing companies, particularly in the transition from traditional to strategic methods. This transition has been notably deficient among numerous consumer goods firms in Nigeria, where the absence of effective strategic costing practices has led to significant issues such as cost inefficiency, competitive disadvantage, and ineffective decision-making. Recognizing the significance of technological advancement for growth and competitiveness, this study investigated the impact of strategic management accounting and digitalization of accounting practices on the performance of consumer goods companies in Lagos. The research methodology employed a survey research design, sampling 161 management employees from 45 consumer goods companies in Lagos as of January 2023. The research utilized partial least square structural equation modelling to analyse primary data. Results highlighted significant impacts on Consumer goods performance from strategic costing practices and the digitalization of accounting methods. Both strategic costing practices and digitalization displayed positive and noteworthy effects on performance, reflected by t-values of 0.213 and 0.218, along with respective p-values of 0.037 and 0.023. However, strategic customer accounting practices exhibited an insignificant impact on performance, evident through a t-value of 1.345 and a p-value of 0.179 at a 5% significance level. The study concludes that strategic costing and digitalizing accounting methods highly influence and benefit and consumer goods firms' performance, unlike strategic customer accounting. The study recommends that the implementation and integration of effective strategic costing methodologies and digitalization initiatives to further propel the growth and competitiveness of these companies in Lagos State

Keywords: strategic management accounting, digitalization of accounting practices, performance

JEL Classification Codes: M41, M15, M48

INTRODUCTION

Over time, manufacturing companies worldwide have grappled with challenges stemming from traditional management accounting practices to strategic management accounting practices. The evolving business landscape, marked by increased complexities and relentless innovation, has exposed the shortcomings of traditional methods. Consequently, there has been widespread criticism of traditional management accounting, prompting the advocacy for new approaches (such as strategic costing, customer accounting, strategic decision making, planning, control, competitors accounting and performance measurement) that align more seamlessly with the demands of today's fiercely competitive business environment and how to improve organizational performance (Abdullah, et al., 2022). This shift has been underscored by various critical changes



in the modern industrial landscape, encompassing heightened competition, the integration of technology in manufacturing processes, responsiveness to client preferences, the pervasive influence of information technology adopted in improving firms' performance (Tirado, et al., 2023).

The performance of consumer goods firms in developing countries like Cameroon, Senegal, Ghana, South Africa, and Nigeria plays a crucial role in driving economic expansion, generating employment, and fostering technological progress (Abisuga-Oyekunle, et al., 2020). These firms span various sectors, from manufacturing to construction, engineering, and infrastructure advancement, significantly contributing to GDP growth, export earnings, and job creation. However, their performance is influenced by multifaceted factors like government policies, infrastructure development, technological advancements, strategic management accounting practices, and global market dynamics (Chege, et al., 2020).

In Nigeria, the performance of consumer goods firms mirrors the health and competitiveness of the sector which is facing challenges such as inadequate infrastructure, inconsistent government policies, limited access to finance, and intense competition (Wolf, 2023). Despite Nigeria's significant economic status in Africa, its consumer goods sector confronts obstacles like insufficient infrastructure, financial accessibility restrictions, policy uncertainties, and a shortage of skilled labour (Adetoyinbo, et al., 2022). Although this sector significantly contributes to Nigeria's GDP (around 23% in 2020), export performance remains lower compared to other developing nations due to challenges in infrastructure like power supply, transportation, and logistics, leading to increased operational costs and reduced productivity (Effiong, 2022).

The growth and competitiveness of these firms hinge on advanced technology adoption such as automation, robotics, and digitalization, where Nigeria lags, impacting productivity and efficiency (Olurinola, et al., 2021). Digitalization, the utilization of digital technologies to transform business processes, is a vital driver of economic growth and competitiveness (Xue, et al., 2022). Advanced nations like the United States, Germany, China, and Korea lead in digitalization efforts, witnessing advancements in digital infrastructure, e-commerce, and emerging technologies like AI, big data analytics, and cloud computing. However, developing countries, including Nigeria, face challenges due to limited digital infrastructure, technological capabilities, and digital literacy, though they strive to bridge the digital divide for economic development (Myovella, et al., 2020).

Strategic management accounting (SMA) practices gained attention for their potential to enhance decision-making and organizational performance, integrating management accounting techniques with strategic concepts for strategic decision-making (Ojra, et al., 2021; Nik-Abdullah, et al., 2022). Notably, consumer goods firms in Nigeria encounter challenges like infrastructure and logistics issues, intense competition, inaccurate costing practices, and limited customer accounting practices, posing difficulties in distribution, innovation, and product differentiation (Rajeb, 2023). Specifically, the success of consumer goods firms in Nigeria relies on effective strategic costing practices, essential for profitability and growth. Challenges in cost determination due to factors like fluctuating exchange rates, inflation, and raw material pricing inaccuracies can impact pricing

decisions, affecting financial performance (Ajayi, et al., 2019; Sibanda, 2022). Additionally, inadequate consumer data and the prevalence of counterfeit products complicate customer accounting practices, hindering effective marketing and product tailoring efforts (Sudirjo, 2023; Mhatre, et al., 2023).

Meanwhile, digitalization of accounting practices holds promise for revolutionizing Nigerian consumer goods firms, expected to streamline financial processes, and provide insights into consumer behaviour, market trends, and inventory management. Yet, its implementation requires substantial technology infrastructure investment and employee training, posing challenges for these companies if not efficiently adopted (Wassan, et al., 2022).

However, limited prior research efforts, as highlighted by studies conducted by Adigbole, et al. (2020), Adigbole and Osemene (2019), Adediran and Obembe (2020), and Adebayo and Peterburg (2019), have explored the relationship between strategic management accounting practices and organizational performance in Nigeria. These studies primarily focused on distinct variables to proxy strategic management accounting practices within the banking and manufacturing sectors, neglecting the consideration of strategic costing and customer accounting practices within consumer goods companies in Nigeria. Notably, there appears to be an absence of research examining the relationship between strategic management accounting, digitalization of accounting practices, and the performance of consumer goods companies specifically in Lagos State, Nigeria. While existing literature includes a couple of studies on digitalization of accounting practices in the Consumer goods firms, a significant research gap remains unaddressed. To bridge these gaps in the scholarly discourse, this study aims to investigate the impacts of strategic management accounting and digitalization of accounting practices on the performance of consumer goods companies situated in Lagos State. Given the previous empirical evidence on the various factors influencing performance as postulated the theory institution theory and technological acceptance model assumptions, the following null hypotheses were raised

- HO₁: Strategic costing practices have no significant impact on performance of consumer goods firms in Lagos State, Nigeria.
- HO₂: There is no significant relationship strategic customer accounting practices and performance of consumer goods firms in Lagos State, Nigeria.
- HO₃: Digitalization of accounting practices has no significant impacts on performance of consumer goods firms in Lagos State, Nigeria.

LITERATURE REVIEW

Conceptual Issues

Strategic Management Accounting Practices

Strategic management accounting practices, according to Abdullah, et al. (2022), are the use of accounting information and procedures to assist strategic decision-making and improve organizational performance. These practices (include strategic costing, customer accounting, planning, control, and performance measurement among others) go beyond traditional financial reporting and focus on providing managers with relevant and timely information to make informed



decisions. According to Cadez and Guilding's (2009) research, which is supported by Abdullah et al. (2022), the literature identifies five main categories of strategic management accounting (SMA) tools. Strategic costing, planning, control, and performance measurement, strategic decision making, competition accounting, and customer accounting are examples of these. Implementation of these tools, if done effectively, is anticipated to enhance organizational performance, fostering a heightened competitive edge and yielding advantages. Consequently, this study concentrates on investigating two specific practices within manufacturing settings: strategic costing and strategic customer accounting.

Strategic costing practices encompass cost identification, analysis, and management to aid strategic decision-making (Daowadueng et al., 2023). Techniques like activity-based costing, target costing, and life cycle costing fall within this purview. They assist in understanding product/service cost structures, identifying cost drivers, and guiding decisions on pricing, product mix, and resource allocation. Concurrently, strategic customer accounting involves managing customer-related data to aid strategic decisions (Alsoboa, 2015). Practices like customer profitability analysis, lifetime value assessment, and segmentation serve this purpose (Abdullah et al., 2022). They aid in comprehending segment profitability, identifying cross-selling opportunities, and shaping customer acquisition/retention strategies (McManus, 2013; Matsuoka, 2020).

Digitalization of Accounting Practices

The digitalization of accounting practices is the integration of technology and digital tools into traditional accounting processes (Gulin, et al., 2019). This transformation has had a significant impact on various sectors, including the consumer goods industry. In the consumer goods sector, digitalization has revolutionized accounting practices in several ways: automation of processes, real time data, enhanced data security, integration with other systems, and cost saving (Berikol, & Killi, 2021). According to Fisher (2020), the development, representation, and transfer of financial information into an electronic format is referred to as digital accounting. All accounting transactions are now done electronically rather than on paper.

There are several components of the digitalization of accounting practices. The pivotal components highlighted in literature (Springer, 2023) include cloud-based accounting software, enabling online data storage and accessibility for real-time collaboration. Automation of manual accounting tasks like data input and reconciliation reduces errors, allowing a focus on strategic operations (Simonson et al., 2023). Digitalization facilitates electronic invoicing, online payments, and comprehensive data analytics, enabling insights into financial trends and informed decision-making (Villegas, 2023). Integration with systems like CRM and ERP streamlines data flow, enhancing overall productivity (Wikipedia, 2023). Mobile accounting grants access to financial data via devices, enabling remote work (Gridlex, 2023). Ultimately, digitalizing accounting practices aims to boost efficiency, accuracy, and accessibility of financial information, thereby improving decision-making and business performance (Phornlaphatrachakorn & Na-Kalasindhu, 2021).



Organizational Performance

Organizational performance is defined as an organization's total effectiveness and efficiency in attaining its goals and objectives. It assesses how well a company uses its resources, controls its processes, and provides value to its stakeholders (Akpa et al., 2021). Financial performance, customer happiness, employee productivity, innovation, and market share are all measures of organizational performance. Leadership, strategy, organizational culture, and the ability to adapt to changing surroundings are all elements that influence it (Ishaq-Bhatti et al., 2013). The concept of performance in the industrial goods sector in Nigeria refers to the ability of companies operating in this sector to achieve their objectives and deliver positive results. It encompasses various aspects such as financial performance, operational efficiency, market share, customer satisfaction, and overall competitiveness (Monday, et al., 2015).

The performance of the industrial goods sector in Nigeria is influenced by several factors. One of the key factors is the overall economic environment, including GDP growth, inflation rates, and government policies. A stable and growing economy provides a conducive environment for industrial goods companies to thrive (Amahalu, 2019). Another factor is the level of infrastructure development in the country. Adequate infrastructure, such as reliable power supply, transportation networks, and access to raw materials, is crucial for the performance of industrial goods companies. Insufficient infrastructure can lead to higher production costs, delays in delivery, and reduced competitiveness (Alhassan, et al., 2021)

Theoretical Framework

This study takes a review of two pertinent theories, namely Institutional Theory and Technology Acceptance Model, to elucidate the apriori expectations concerning the association between exogenous and endogenous variables. These theories' assumptions and predictions are closely aligned with the hypothesized relationship that has been posited. Individually, The Institutional Theory, rooted in Meyer and Rowan's seminal work (1977), assumes that organizations adhere to societal norms and institutional frameworks, influencing their practices and regulatory factors (Tolbert & Darabi, 2019). Applied to strategic management accounting, especially in strategic costing and customer accounting, it highlights how institutional pressures impact these practices within consumer goods companies, shaping their performance. Strategic costing involves cost allocation to key activities, influenced by industry norms, standards, and regulations (Economou, et al., 2023). For example, firms might employ activity-based costing (ABC) systems to comply with best practices, aiming to optimize resource allocation and profitability. Similarly, customer accounting practices, like customer profitability analysis (CPA), are affected by customer expectations and industry standards, aiding in strategic decision-making for pricing and retention strategies. However, it's vital to note that conforming solely to institutional pressures may lead to isomorphism, where practices are adopted merely for compliance, lacking relevance or effectiveness. Therefore, consumer goods companies must critically assess these pressures, aligning strategic management accounting practices with their specific organizational objectives to ensure meaningful implementation and performance enhancement.

Fred Davis's Technology Acceptance Model (TAM) (1989) is pivotal in understanding how individuals adopt new technologies, emphasizing perceived usefulness and ease of use. Applied to digitalizing accounting in consumer goods firms, TAM illuminates the impact on performance (Chipriyanova & Krasteva-Hristova, 2023). The perceived usefulness of digitalized accounting processes is vital, offering benefits like streamlined operations, accuracy, real-time insights, and improved decision-making. Employees embracing this usefulness enhances performance. Equally important is the perceived ease of use, simpler interfaces and training aid integration into daily routines. Implementing digitalized accounting positively influences financial accuracy, data analysis, and decision-making for consumer goods companies (Mohd-Amir, et al., 2020). Yet, success hinges on readiness, leadership support, training, and change management beyond TAM's scope. Addressing challenges like security and change resistance ensures a smooth transition and maximizes digitalization in accounting practices would provide more benefits and thereby improve performance of consumer goods firms (Izzo, et al., 2022).

Empirical Review

Numerous studies have explored the interplay between strategic management accounting (SMA) techniques, digitalization of accounting practices, and organizational performance across various industries and regions. For instance, Thapayom (2019) examined the relationship among strategic management accounting techniques, organizational competitiveness, and sustainable performance in Thailand's industrial estates. A sample of 148 was made from industrial estate businesses and the study revealed that there are positive associations between strategic planning, control, performance measurement, competitor accounting, customer accounting, and organizational performance. On the aspect of strategic costing, Adebayo and Petersburg (2019) investigated strategic cost management practices in Nigerian manufacturing, finding a positive impact on firm performance using Partial Least Squares Structural Equation Modeling (PLS-SEM).

Adigbole and Osemene (2019) focused on Strategic Cost Management's impact on cost information accuracy in selected Nigerian manufacturing firms, observing varying effects of activity-based management (ABM), life cycle costing (LCC), and target costing (TC) on cost information accuracy. Similarly, Odia (2019) explored SMA techniques' usage and strategic choices in Nigerian financial institutions, revealing contrasting impacts of SMA techniques usage and strategic decision-making participation on financial performance.

In a different view, Thapayom (2019) delved into customer and competitor accounting's influence on goal achievement among auto parts manufacturing companies in Thailand. Based on regression analysis, the study emphasized on the positive impact of customer profitability analysis and competitive performance appraisal on goal attainment through customer relationships and competitive advantage. Contextually, Rashid et al. (2020) in Asia, Ibrahim and Duman, et al. (2020) in Turkey studied the effects of SMA practices on firm performance, revealing that SMA adoption positively correlates with improved performance but noted traditional management accounting tools' prevalent usage. In the same vein, Phornlaphatrachakorn and Na-kalasindhu (2020) demonstrated SMA's impact on finance businesses' performance in Thailand, particularly in relation to environmental scanning and competitor orientation.



Herda and Abdullah (2020) focused on SMA practices in Malaysian Government Linked Companies (GLCs), finding widespread SMA techniques' usage among top management. Differed opinions, Mariina and Tjahjadi (2020) explored the link between SMA and university performance, revealing limited understanding of this relationship, whereas Adeniran and Obembe (2020) delved into SMA's significance for transport businesses in Nigeria, identifying technology, people, and government policy as critical factors affecting performance. Recently, Phong et al. (2023) examined SMA's impact on Vietnamese public universities' operating performance, while Mbogo et al. (2023) studied how SMAPs influence the financial performance of small and medium manufacturing enterprises in Kenya. Setiawan and Skak (2023) explored the usage of SMA and its effects on MSMEs in Palembang City, uncovering connections between historical business performance, owner-management characteristics, innovation culture, and the level of SMA usage.

In a specific term, Ojra et al. (2023) delved into customer accounting practices' implications on Kuwait's financial services industry. The study generated data through questionnaires administered to the 115 management accountants and the data analysis is emphasizing the absence of a one-size-fits-all approach in which financial services might be not enhanced. In Azerbaijan, Khudiyeva (2023) evaluated the impact of SMA practices and integrated information systems on hospitality businesses' performance. In which the study used quantitative survey design whereas and the coefficient results revealed that there is a significant relationship between the level of usage of strategic management and business performance, while Tirado and Mavlutova (2023) highlighted SMA's role in enhancing financial performance among low-cost Airlines.

In his own view, Augustine (2022) studied the effects of digital technology and agility on company performance, revealing positive impacts on performance. Taib et al. (2022) explored how the level of digitalization and changes caused by COVID-19 affected accountants' behaviour in companies within the MENA region. Quang et al. (2022) assessed the role of digitalization of accounting information among SMEs, showcasing positive associations between digitalization and business outcomes. Recently, Oyedokun (2023) examined digitalized accounting systems' impact on SMEs' financial reporting, indicating a positive effect on enhancing financial reporting quality. Similarly, Chika et al. (2023) investigated the relationship between digital accounting practices and financial performance in Nigerian deposit money banks, highlighting positive connections between cloud accounting (CLA) and return on assets, as well as blockchain technology and return on assets.

Diverse studies have extensively investigated the relationship between SMA techniques, digital accounting, and performance in various industries and locations. The findings have shown positive connections in areas such as planning, control, performance measurement, competitor, and customer accounting. This has been particularly evident in Thai industrial estates and Nigerian manufacturing. On the other hand, the impacts have varied in Nigerian financial institutions and Malaysian government-linked firms. However, there is a lack of research on the holistic relationship between strategic costing practices, customer accounting practices, digitalization accounting practices, and their impact on the performance of consumer goods in Nigeria. This is the focus of this study.

METHODOLOGY

The study adopted a positivist research philosophy to investigate the nexus between strategic management accounting, digitalization of accounting practices, and the performance of consumer goods firms in Lagos State. This approach facilitated the exploration of factors contributing to enhanced performance by gathering data on the strategies and processes employed in strategic management accounting and accounting digitalization, and their impacts on firm performance. The study adopted a quantitative approach employing a survey-based research design to collect crucial factual insights and gauge the opinions of participants.

The population under study consisted of 270 employees occupying strategic and tactical management roles across 45 consumer goods firms in Lagos State as of January 2023. To ensure a comprehensive representation, three senior experienced employees were deliberately chosen from each management level, resulting in a total of six senior individuals selected from each of the 45 consumer goods firms in Lagos, thus creating a sampling frame of 270. This strategic selection aimed to capture diverse perspectives, opinions, and attitudes via questionnaires administered to a focused sample of 161 respondents within the strategic and tactical management tiers. The sample size of 161 participants was determined through random selection and computed using the Taro Yamane formula (1967), as demonstrated below.

$n = N/(1+(Ne^2))$, where n = the required sample size, N = Population size or Sampling frame (270), e = error limit (0.05 on the basis of 95% confidence level). Therefore, based on 95% confidence level, the sample size is computed as: $n = 270/(1 + 270(0.05)^2) = 161.19 \approx 161$.

Model Specification

The present study applied the framework established by Ojra, Opute, and Alsaqer (2023) to explore the correlation between customer accounting practices and the performance of the financial services industry in Kuwait. Ojra et al.'s original model was represented as:

$$Pf = \beta_0 + \beta_1 CA + e \dots\dots\dots (1)$$

Where: Pf = Performance, β_0 = intercept (constant), CA = customer accounting.

This study modified the original model by incorporating strategic costing practices and digitalization of accounting practices to enhance its robustness and uniqueness compared to prior research. The revised model for this study is thus formulated as:

$$Pf = \beta_0 + \beta_1 SRCP + \beta_2 SCAP + \beta_3 DACP + e \dots\dots\dots (2)$$

Where: Pf = Performance, β_0 = intercept (constant), $SRCP$ = strategic costing practices, $SCAP$ = strategic customer accounting practices, $DACP$ = digitalization of accounting practices. β_1 , β_2 , and β_3 represent path coefficients, while e stands for the error term.

This study conducted data analysis in both descriptive and inferential forms. Partial Least Squares - Structural Equation Model (PLS-SEM) was employed to assess the impact of strategic management and digitalization of accounting practices (independent variables) on organizational performance dimensions (dependent variables). The rationale behind selecting PLS-SEM lies in

its robustness in performing multivariate analysis to predict and infer causality between latent and manifest variables or constructs (Hair et al., 2019).

RESULTS AND DISCUSSIONS

Response Rate

The study gathered information from strategic and tactical-level management staff working in selected fast-moving consumer goods companies situated in Lagos State, Nigeria. Out of the 161 questionnaires distributed among the respondents, 157 completed questionnaires were accurately returned to the researcher, resulting in an impressive response rate of 98%. This represents a complete 100 percent response rate. As highlighted by Saldivar (2012), a response rate exceeding 70 percent minimizes the risk of sampling bias, ensuring more accurate inferences can be drawn from the data. The subsequent analysis employed Partial Least Square-Structural Equation Model (PLS-SEM) regression analysis at a significance level of 5%. The outcomes of this analysis are presented in table 1 and 4.

Descriptive Statistics of the Variables

Descriptive Statistics of strategic management accounting and digitalization of practices and performance are presented and discussed below.

Table 1. Descriptive Statistics

| Variables | Mean | Media | Observed min | Observed max | Standard deviation | Excess Kutosis | Skewness |
|-----------|-------|-------|--------------|--------------|--------------------|----------------|----------|
| DAP-2 | 3.716 | 4.000 | 1.000 | 5.000 | 1.130 | 0.268 | -1.063 |
| DAP-3 | 3.926 | 4.000 | 1.000 | 5.000 | 0.987 | 2.004 | -1.453 |
| DAP-5 | 3.547 | 4.000 | 1.000 | 5.000 | 1.168 | -0.656 | -0.701 |
| FP-1 | 3.568 | 4.000 | 1.000 | 5.000 | 0.925 | 0.007 | -0.407 |
| FP-2 | 3.189 | 3.000 | 1.000 | 5.000 | 1.069 | -0.506 | -0.283 |
| FP-3 | 3.411 | 3.000 | 1.000 | 5.000 | 1.138 | -0.600 | -0.342 |
| FP-4 | 3.295 | 3.000 | 1.000 | 5.000 | 1.065 | -0.179 | -0.564 |
| SCAP-1 | 3.863 | 4.000 | 1.000 | 5.000 | 1.052 | 0.991 | -1.262 |
| SCAP-2 | 3.747 | 4.000 | 1.000 | 5.000 | 1.151 | 0.229 | -1.086 |
| SCAP-3 | 3.716 | 4.000 | 1.000 | 5.000 | 1.149 | 0.566 | -1.200 |
| SCRP-2 | 4.084 | 4.000 | 2.000 | 5.000 | 0.516 | 7.284 | -1.279 |
| SCRP-3 | 4.032 | 4.000 | 2.000 | 5.000 | 0.732 | 2.817 | -1.359 |
| SCRP-4 | 3.863 | 4.000 | 2.000 | 5.000 | 0.790 | 1.622 | -1.314 |
| SCRP-5 | 3.747 | 4.000 | 1.000 | 5.000 | 1.066 | 1.065 | -1.331 |

Source: Author's Computation (2023)

The table displays a range of variables including DAP-2, DAP-3, DAP-5, FP-1, FP-2, FP-3, FP-4, SCAP-1, SCAP-2, SCAP-3, SCRP-2, SCRP-3, SCRP-4, and SCRP-5, showcasing their respective statistical metrics. The analysis comprises mean, median, observed minimum and maximum values, standard deviation, excess kurtosis, and skewness for each of these variables. The mean values hover around 3.5 to 4, indicating a moderate to high level in these variables. However,

varying levels of dispersion exist among the variables, evident from differences in standard deviations. Excess kurtosis demonstrates a mix of platykurtic and leptokurtic distributions, implying varying degrees of outlier presence in the data sets. Skewness values suggest asymmetry in the distributions, mostly inclined towards negative values, signifying a heavier tail on the left side of the distribution.

Collinearity Test

Table 2. Collinearity Analysis

| Variable | VIF | Tolerance Value |
|----------|-------|-----------------|
| DAP- | 1.126 | 0.888 |
| SCAP- | 1.115 | 0.896 |
| SCRP- | 1.247 | 0.802 |

Source: Author's Computation (2023) using Smart PLS-4

The Table 2 displays the results of a collinearity test among variables in a study. The Variance Inflation Factor (VIF) values for variables DAP-, SCAP-, and SCR- indicate low levels of multicollinearity, as all VIF scores are comfortably below the threshold of 10, suggesting that these variables do not significantly influence each other in the regression model.

Reliability Test

Table 3: Construct Reliability and Validity

| Variable | Cronbach's alpha | Composite reliability (rho_c) | Average variance extracted (AVE) |
|----------|------------------|-------------------------------|----------------------------------|
| DAP- | 0.745 | 0.694 | 0.631 |
| FP- | 0.774 | 0.855 | 0.599 |
| SCAP- | 0.837 | 0.900 | 0.751 |
| SCRP- | 0.816 | 0.770 | 0.655 |

Source: Author's Computation (2023)

Table 3 presents the construct reliability and validity measures for variables in the study. Cronbach's alpha values for variables DAP-, FP-, SCAP-, and SCR- range from 0.745 to 0.837, indicating good internal consistency and reliability among the items within each construct. Composite reliability (rho_c) values for FP- and SCAP- are notably high, exceeding 0.85, denoting excellent reliability and consistency in measuring latent constructs. However, DAP- and SCR- show slightly lower composite reliability scores, yet they remain above the acceptable threshold of 0.7. Average variance extracted (AVE) values, measuring the convergent validity, hover between 0.599 and 0.751, signifying that the constructs explain a substantial amount of variance in their respective items and demonstrate adequate convergent validity.

Structural Model

Table 4 showcases the path coefficients derived from the comprehensive structural model analysis conducted below. This analysis was meticulously executed by employing bootstrapping techniques involving 5000 resampling iterations, meticulously conducted through the utilization of SmartPLS-4, Version 4.098.

Table 4: Path Coefficient

| Variables | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (O/STDEV) | P values |
|--------------|---------------------|-----------------|----------------------------|--------------------------|----------|
| SCR- -> FP- | 0.213 | 0.257 | 0.103 | 2.081 | 0.037 |
| SCAP- -> FP- | 0.121 | 0.121 | 0.090 | 1.345 | 0.179 |
| DAP- -> FP- | 0.218 | 0.244 | 0.096 | 2.279 | 0.023 |

Source: Author's Computation (2023)

Restatement and Testing of Hypotheses

In Table 4, the path coefficients serve to denote the magnitude and direction of associations within the structural model. The correlation between strategic costing practices (SCR-) and the performance of FMCG companies in Nigeria (Pf-) reveals a positive path coefficient of 0.213. This suggests that strategic costing practices have a moderately positive effect on FMCG performance. The p-value of 0.037 indicates that strategic costing exerts a positive and statistically significant impact on performance. Similarly, the relationship between strategic accounting practices (SCAP-) and FMCG performance (Ff-) demonstrates a positive path coefficient of 0.121, albeit weaker in comparison to strategic costing practices. Meanwhile, the p-value of 0.179 implies that strategic customer accounting practices yield positive but non-significant effects on performance, thereby accepting the null hypothesis. Notably, the digitalization of accounting practices (DAP-) indicates a higher positive path coefficient of 0.218 with a p-value of 0.023, signifying a more substantial impact on FMCG performance. The associated T statistics, namely 2.081, 1.345, and 2.279, respectively, along with their corresponding P values (0.037, 0.179, and 0.023), validate the significance of these relationships, thereby underscoring the influence of these practices on the performance of FMCG companies in Lagos State, Nigeria.

Discussion of Findings

The examination of results delves into the associations between strategic management accounting practices, particularly strategic costing, strategic accounting, and the digitalization of accounting practices, and their implications for the performance of FMCG companies in Nigeria, specifically in Lagos State. The positive path coefficient of strategic costing practices indicates a moderately positive influence on FMCG performance, substantiated by its significant p-value. This discovery aligns with numerous previous studies (Adebayo and Petersburg, 2019; Adigole and Osemene, 2019; Adigbole et al., 2020; Intakhan, 2021), underscoring a consensus regarding the favourable impact of strategic costing practices on firm performance but contradicting the findings from Abdullah et al.'s study (2022). Conversely, the relationship between strategic customer accounting practices and FMCG performance, although positive, demonstrates a weaker effect compared to strategic costing. The associated p-value suggests a positive but statistically insignificant



influence, in line with Resource-Based View theory and Institutional Theory but contrary to the findings from Thapayon's specific study (2019) and Ojra et al.'s study (2023), while consistent with Abdullah et al. This discrepancy raises questions that necessitate further investigation.

Furthermore, the discussion highlights the significant impact of the digitalization of accounting practices on FMCG performance, supported by a higher positive path coefficient and a significant p-value. This finding is in line with multiple prior studies (Adeniran and Obembe, 2020; Quang et al., 2022; Khudiyeva, 2023; and Chika et al., 2023), aligning with the Technology Acceptance Model theory which emphasizes the significance of these relationships and underscores the influential role these practices play in shaping the performance of FMCG companies in Lagos State, Nigeria. However, the conflicting findings with Abdullah et al. suggest the need for more nuanced research to comprehend the intricacies and contextual elements influencing these relationships within the specific setting of Lagos State's FMCG industry. These disparities underscore the importance of considering contextual nuances and industry-specific factors in understanding the impact of strategic management accounting practices on firm performance.

CONCLUSION AND RECOMMENDATIONS

In the context of the discourse on the exploration of discoveries concerning the discipline of strategic management accounting, the conversion of accounting methodologies into digital formats, and the evaluation of the accomplishments of fast-moving consumer goods (FMCG) enterprises in Lagos State, Nigeria, some inferences and suggestions can be deduced. Primarily, the investigation accentuates the significant impact of strategic cost estimation methodologies on the achievements of FMCG corporations. This suggests that implementing strategic costing techniques contributes positively and significantly to enhancing FMCG performance. Conversely, while strategic customer accounting practices (SCAP-) indicates that these practices have a positive but non-significant impact on performance. This indicates that while these practices are beneficial, their direct influence on FMCG performance in Lagos State might be less pronounced. Moreover, the study emphasizes the remarkable impact of digitalization of accounting practices (DAP-) on FMCG performance, demonstrated by the higher positive value which underscores the pivotal role of technological advancements in accounting methodologies within the FMCG sector in Lagos State.

To enhance the performance of FMCG companies, it is recommended that organizations prioritize the adoption and integration of advanced digital accounting practices. Furthermore, as strategic costing practices have shown significance in positively influencing performance, companies should continue to emphasize and refine these approaches within their operational frameworks. While strategic customer accounting practices didn't demonstrate statistical significance, further research or adjustments in the implementation of these strategies may be needed to maximize their potential impact on FMCG performance.



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