Management Accounting Practices on Organizational Performance Mediated by Rationalized Managerial Decisions

[1]Rewan Kumar Dahal, [2]Ganesh Bhattarai, [3]Dipendra Karki

Tribhuvan University, Faculty of Management, Nepal Commerce Campus, Kathmandu, Nepal

Abstract

The study aimed to examine the influence of management accounting practices on organizational performance with the mediating effect of rationalizing managerial decisions of the Nepalese listed manufacturing companies. It is based on survey data from 221 respondents from the seven listed manufacturing companies, whose shares are traded regularly in Nepal's secondary market. The data were analyzed using confirmatory factor analysis, path analysis, and structural equation modeling to dissect and decipher details. The study's findings indicated that management accounting practices had no significant impact on organizational performance, and there was no mediating role of rationalized managerial decisions. However, rationalized managerial decisions themselves had a positive and significant impact on organizational performance. The study was limited to capturing only Nepal's listed manufacturing companies and applied one survey technique method with a few standard questionnaires to collect data. Different sectors and higher sample sizes may be considered to improve the generalizability of the analysis. The authors hoped that it contributes to the existing literature in management accounting and organizational performance. It may attract the concerned personnel's attention towards the management accounting practices to make effective managerial decisions and better organizational efficiency.

Keywords: : Accounting practices, managerial decisions, managers, manufacturing companies, organizational performance.

Introduction

Management accounting concerns the use of information to facilitate managers to efficiently make informed business decisions (Yeshmin & Hossan, 2011). It enables managers to adapt management accounting practices (MAPs) to the company's demand, focusing on making accounting data more useful for management decisions. The practices can save management from being absorbed in accounting and data processing routines and allow management decisions to be made based on the rule of exception

[1]Principal author: Faculty of management, Nepal Commerce Campus, Tribhuvan University, email: dahalrewan@gmail.com

[2]Corresponding author, Faculty of Management, Nepal Commerce Campus, Tribhuvan University, email: ganesh@ncc.edu.np [3]Co-author, Faculty of Management, Nepal Commerce Campus, Tribhuvan University, email: dipendra.karki@ncc.tu.edu.np

(Yeshmin & Hossan, 2011), leading to better organizational performance (OP). Rationalized managerial decisions (RMDs) underline managers' role in leveraging external information resources by transmitting knowledge to building practical capabilities so that internal organizational resources can be used optimally (Knight & Collier, 2009). Implementation of MAPs still lacks in manufacturing companies, especially in developing countries (Jamil et al., 2015) like Nepal.

OP cannot be separated from MAPs within the organization. MAPs are linked to contextual factors within or outside the organizations (Moores & Yuen, 2001). MAPs are a set of tools, principles, and standards that provide knowledge throughout the decision-making process, particularly for the growth of manufacturing companies (Tuan Mat et al., 2016). Manufacturing companies are comprehensive businesses with continually updated technology, from the manufacturing processes to ready-to-sell goods (Wahyuni & Triatmanto, 2020). To achieve competitive advantages and expected performance targets, each part of the company must also support itself and improve MAPs, strategies, and organizational structures together (Moores & Yuen, 2001).

The publication of 'relevance loss' (Johnson & Kaplan, 1987) of financial-based accounting information (quantitative data) has led to new MAPs such as activity-based costing, target costing, life cycle costing, kaizen costing, just-in-time inventory system, benchmarking, and more (quantitative as well as qualitative data). The conception of mixed data-based practices in the 1980s was worth understanding the degree to which practices are used and how they impact organizational performance? In this regard, this study acclimatized MAPs as they form a basis of OP with a mediating effect of RMDs in Nepal's listed manufacturing companies. There were four questions to be answered:

- Does the Nepalese manufacturing industry have a significant association between MAPs and OP?
- Are MAPs and RMDs substantially linked to the manufacturing industry in Nepal?
- Does the manufacturing industry in Nepal have any significant relationship between RMDs and OP?
- Is it possible for the manufacturing industry in Nepal to mediate with RMDs in the relationship between MAPs and OP?

Therefore, it aimed to analyze the impact of MAPs on the OP of the listed manufacturing companies in Nepal with the mediation effect of RMDS. Since, management accounting information is used by various stakeholders, especially managers, to make different management decisions related to policy design, research and development, budgeting, production planning, pricing, and more.

MAPs play an essential role in handling various manufacturing organizational operations. For achieving superior OP using MAPs in the organization, RMDs might be crucial for evaluating, monitoring and planning, and mobilizing corporate resources, particularly in the manufacturing companies. However, the literature lacks empirical studies on the role of RMDs in OP. Hence, this study aims to examine the relationship between MAPs, RMDs, and OPs and fill the gap in RMDs by using a mediating role in Nepalese manufacturing companies. The authors presented the study in seven broad parts. After the introduction, the authors reviewed related literature and established hypotheses, and thirdly set the methodology. The fourth part showed the findings and interpretation, and the fifth part included discussion and conclusion, the sixth part showed limitations and scope of future research. Finally, the study implications were given in the seventh part.

Literature Review and Hypotheses

Most of the study concerning MAPs conducted in the world is on manufacturing firm. Researchers, academicians, and practitioners concentrate on the manufacturing firm's concern towards the MAPs on OP mediated by RMDs. They play a crucial role in building a competitive advantage for organizations (Yeshmin & Hossan, 2011). MAPs are based on quantitative and qualitative data. The quantitative approach emphasizes the subjective or objective nature of the social world. It attempts to understand it primarily from the actors' point of view, which forms the reference frame of those studied (Hoque, 1991). The qualitative approach seems to be widely recommended to make progress (Hoque, 1991).

The contingency theory approach in management accounting is based on the assumption that no widely agreed accounting scheme applies equally to all organizations (Wahyuni & Triatmanto, 2020). The accounting system relies on the specific circumstances in which an organization describes itself (Waweru & Uliana, 2005). The competitive environment and technological advancement also affect accounting systems and practices. Thus, for improving OP, this study used the contingency theory to explain the relationship between MAPs with RMDs. Many researchers rendered the relationship between the contextual variables with many variations and outcomes (Bisbe et al., 2007; Chenhall & Moers, 2007; Innes & Mitchell, 1990; Yazdifar & Tsamenyi, 2005).

Management Accounting Practices (MAPs)

MAPs help executives to serve consumer needs, facilitate decision-making, and manage the corporate value chain (Dahal, 2019). Integration of MAPs into organizational strategies supports to manage the operational activities (Wahyuni & Triatmanto, 2020). Some previous studies (like Baines & Langfield-

Smith, 2003; Bisbe et al., 2007; Laitinen, 2014) indicated that MAPs in an organization worked as a catalyst to motivate employees. OP is considered as a contextual factor in an organization that may have a relationship with MAPs. OP factors are the result of the MAPs and RMDs within the organization. If there are appropriate management accounting techniques supported by RMDs, it will enhance OP (Baines & Langfield-Smith, 2003). So, OP is the antecedent resulting from MAPs.

Rationalized Managerial Decisions (RMDs)

In general, decision-making is the process of gathering, sharing, and extracting appropriate ideas from different sources (Collins, 1999). In contrast, rationalized decision-making is a strategy for consistently selecting the one based on the most concrete factors and details between possible choices. When managers face challenges with decisions, they incline to rationalize their decisions by appealing that we never wanted the unselected alternative. Typical rationalization mechanisms linked to decision-making can therefore be engaged very quickly at the time of decision-making, without prolonged negotiation (Jarcho et al., 2010). MAPs provide requisite details to assist management for RMDs, one of the first and most crucial management steps. Ultimately, executives decide to choose something, particularly after not knowing what to do or leading to disagreement (Alam, 2008). Previous studies indicated that the decision-making processes should be structured based on contextual variables (Chenhall, 2003), and the contingency fit ensures best practices (Gerdin & Greve, 2004). Implementing RMDs better suits a given organizational background and lets the organizations make suitable and consistent choices that match their internal processes and external environment (Saukkonen et al., 2018).

Organizational Performance (OP)

OP is intended as an organization's level of achievement in carrying out activities over a given period, usually within one year (Van der Steen, 2011). Performance represents whether an organization has successfully operated a business (Triatmanto et al., 2019). There are different dimensions of OP. As similar to earlier studies (like Antony & Bhattacharyya, 2010; Rompho, 2018; Skarzauskiene, 2010; Waal, 2010, etc.), this study focused on financial and operational performance. It won't come as news that financial performance is a way of assessing every company as a whole. Understanding core performance was the first move that led the company to go forward. Financial performance has been used primarily by liquidity, solvency, turnover, and profitability to evaluate the organization's financial success. The organization's accomplishments over what was achieved in the past or compared with competitors in many factors, such as net income, dividend rates, earnings per share, return on investment, return on equity, market share, stock price, sales growth, etc. Financial performance alone could not represent the

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organization's real image, as financial metrics only display the effects of past operations, and there are no guidelines for improving performance in the future (Joiner et al., 2009). On the other hand, operational performance evaluates the operational activities and the customers, processes, and employees and positively affects overall organizational performance (Hussain & Gunasekaran, 2002).

Research Hypotheses

This study tried to test the MAPs and OP relationships using structural equation modeling through the mediating effect of RMDs. Four test hypotheses were tested as follows:

2.4.1 MAPs and OP

Previous studies indicated that MAPs and OP could correlate (Polnaya et al., 2018). Nor et al. (2016) examined the relationship between MAPs and financial performance of the listed Malaysian manufacturing companies and found that the variables had a substantial relationship. The use of more relevant MAPs can help employees to focus more on achieving differentiation strategies (Seal, 2006), such as efficiency, distribution and customer support, customer loyalty, and the performance of strategic competitiveness. For example, target costing allows managers to concentrate on low costs while retaining quality and functionality dimensions of customers' expectations. The implementation of MAPs can, therefore, enable the organization to gear up superior OP.

>H1:   *MAPs have a positive and significant impact on OP.*

2.4.2 MAPs and RMDs

MAPs are considered contextual strategies to provide decision-makers information to ensure organizational efficiency (Chenhall & Euske, 2007; Moores & Yuen, 2001). Decision-makers must take care of the factors that provide added value in today's hyper-competitive business environment, especially for customers (Bisbe et al., 2007). A simple and straightforward business strategy can generate value for customers and distinguish them from competitors (Simons, 1987). However, a business strategy alone is not enough to achieve a competitive advantage; it must be accomplished through proactive management practices that provide managers with up-to-date information when making economic decisions.

>H2:   *MAPs have a positive and significant impact on RMDs.*

2.4.3 RMDS and OP

Failure to manage relevant information can lead to ineffective resource management and a progressive decline in organizational performance (Wahyuni & Triatmanto, 2020). Rationalize managerial decisions

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facilitate the advancement of strategic plans, proper management of resources, enhanced business efficiency..

H3:   RMDs have a positive and significant impact on OP.

2.4.4 Mediating effect of RMDs on MAPs and OP

MAPs are more effective and efficient in dealing with high market competition (Baines & Langfield-Smith, 2003; Hoque et al., 2001). Introducing new technologies led to an efficient production cost structure. Computer technology induces both direct labor and inventory costs and accelerates operating activities. Studies showed a relationship between relevant MAPs, such as quality improvement programs, benchmarking, and activity-based management, with RMDs and OP (Baines & Langfield-Smith, 2003; Hoque et al., 2001, Wahyuni & Triatmanto, 2020).

H4:   RMDs can mediate the effect of MAPs on OP.

For superior organizational performance, strategies should be developed and used as a decision-making tool through MAPs (Wahyuni & Triatmanto, 2020). The study aimed to examine the relation between OP as a dependent variable and MAPs as an independent variable with the mediating effect of RMDs as shown in Figure 1. The relationship between H1, H2, and H3 was direct, and H4 was indirect, as shown in Figure 1. The mediating effect of RMDs was, therefore, suggested for the relationship between MAPs and OP.
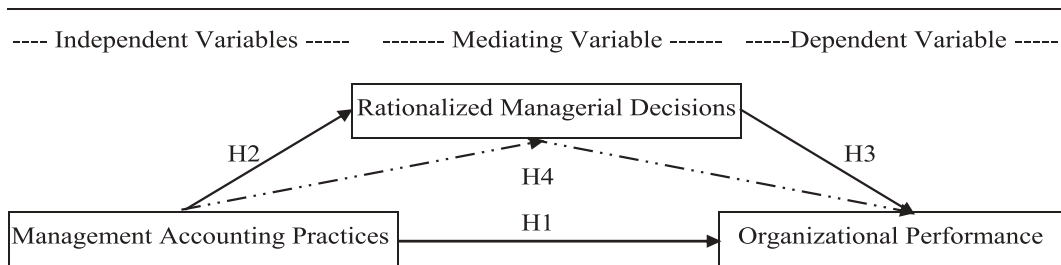
Figure 1 The hypothesized model

MAPs variables were the markers of various management accounting strategies that the company has embraced as contextual factors with RMDs (Moores & Yuen, 2001). If appropriate MAPs accompany changes in RMDs, it will improve OP (Baines & Langfield-Smith, 2003). The corporate success is either a precedent or a product of RMDs.

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Methodology

The study aimed to examine the direct and indirect effects of MAPs and RMDs on OP. The analysis was performed using a quantitative approach to prove the research hypotheses, and the data collection process used a perceptional to facilitate measurement.

Population and Sample

This study's population were the individuals who work and have the least mid-level positions in the Nepalese listed manufacturing companies. As the data available on the Nepal stock exchange website dated 31 January 2020, 19 companies are listed under the sub-group of manufacturing and processing companies. The study selected the listed companies because they were more publicly accountable. On the other hand, more and more information was sought from the general public and potential investors through the stock market. Not every corporation was traded regularly in the stock market. By the regulation of the Nepal Stock Exchange, only seven companies are traded daily. Therefore, the study was exemplified by the seven listed manufacturing companies, whose shares are traded regularly in Nepal's secondary market, and their employees who hold at least a middle-level position.

Survey Instrument

Based on a literature review, the authors themselves developed a standard questionnaire as a survey instrument. The instrument contained four questions on the respondents' demographics and general information (types of products, company, position in the organization, and sex). For MAPs, there were thirty-two questions. In specific, the measurement of MAPs was divided into Financial Performance Measurement Practices - FPMPs (included four items namely ratio analysis, cash flow analysis, variable & absorption costing, and differential costing), Cost Accounting Practices - CAPs (included four items namely standard costing/variance analysis, activity-based costing system, time-driven activity-based costing, and cost benefit analysis), Resources Management Practices - RMPs (included four items namely enterprise resource planning, segment reporting, transfer pricing, and theory of constraints), Cost Reduction Practices - CRPs (included five items namely target costing, kaizen costing, just-in-time inventory system, lean manufacturing, and process reengineering), Planning and Controlling Practices - PCPs (included five items namely break-even analysis, capital budgeting, inter-firm comparison, budgetary control, and break-even time matrix), Quality Management Practices - QMPs (included three items namely total quality management, environmental costing, and management by exception), and Operational Performance Measurement Practices - OPMPs (included seven items namely supply chain management, life cycle costing, benchmarking, customer profitability, responsibility, management by objectives, and balanced scorecard). The measurement of RMDs and OP comprised of five questions,

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each in a single dimension. Therefore, the study's survey instrument had 46 questions and was organized into four sections. The items of the study variables were organized with a five-point Liker scale. For measuring MAPs, the scales were, "1 = never", "2 = rarely", "3 = sometimes", "4 = frequently", and "5 = always". Meanwhile, respondents were asked to rate their responses on the five-point scales for RMDs and OP, where, "1= strongly disagree", "2 = disagree", "3 = neither disagree nor agree", "4 = agree", and "5 = strongly agree".

Data Collection

The data for the analysis were collected through a field survey using the survey instrument developed to measure the variables defined within the hypothesized model, based on a literature review. Forty targeted respondents per sample company were approached during February to March 2020. A total of 221 correctly filled up responses were obtained. Researchers like Kline (1998), Hair et al. (2011) argued that 200 and more samples are adequate in social sciences research to test research hypotheses using structural equation modeling analysis. Therefore, a total of 221 responses were considered as a sample of the study. Table 1 described the demographic and general characteristics of the respondents.

Table 1

Demographic and General Information the Respondents'

	No of the respondents	%		No of the respondents	%
Types of Products:			*Respondents position:*		
Beverage Processing-1	34	15.4	Board Member	8	3.6
Beverage Processing-2	30	13.6	Managerial Level	38	17.2
Alcoholic Beverage	24	10.9	Officer Level	72	32.6
Cement & It's Allied Products	32	15.5	Assistant Level	103	46.6
Sugar & Industrial Sprit	35	15.8	*Respondent's sex:*		
Metal Containers & Packaging	35	15.8	Female	102	46.2
Consumer Products	31	14.0	Male	119	53.8
Total	**221**	**100.0**	**Total of each section**	**221**	**100.0**

Common Method Bias Variance

The collection of data at a time and the use of self-reported data could lead to a common method bias and weaken the relationships between the research variables (Karatepe, 2012). The study assessed the Harman single-factor test, as suggested by Podsakoff et al. (2003), to determine the common method

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bias's prevalence and magnitude. In this regard, Cho & Lee (2012) recommended that common method bias would be acceptable if the Harman single-factor explains not more than 50 % of the variance. The single-factor of the 42 study variables of the analysis contained a variance of 20.383 %, which was far below the threshold value of 50 %. Therefore, this study was free from the common method bias of the process.

Reliability and Validity of the Data

The study used a statistical package for social sciences (SPSS) version 23 and analysis of moment structures (AMOS) version 21 software to test the reliability and validity to confirm the constructs' suitability before assessing the hypothesized model. Table 2 demonstrated the analytical result of the reliability statistics of each construct.

Table 2

Reliability Statistics

Constructs	Before, if the item deleted			After, if the item deleted		
	Cronbach's Alpha	Av. Inter-Item Corr. Coefficient	No of items	Cronbach's Alpha	Av Inter-Item Corr. Coefficient	No items
MAPs:						
FPMPs	0.757	0.441	4	0.757	0.441	4
CAPs	0.726	0.401	4	0.726	0.401	4
RMPs	0.617	0.285	4	0.710	0.452	3
CRPs	0.635	0.265	5	0.712	0.380	4
PCPs	0.611	0.239	5	0.701	0.373	4
QMPs	0.729	0.481	3	0.729	0.481	3
OPMPs	0.692	0.238	7	0.727	0.309	6
Total no of test items under MAPs			32			28
DMDs	0.803	0.453	5	0.803	0.453	5
OP	0.821	0.473	5	0.821	0.473	5
Total no of test items under study variables			42			38

The analysis found that the VAR_15 (transfer pricing), the VAR_20 (lean manufacturing), the VAR_24 (inter-firm comparison), and the VAR_35 (management by objectives) required to delete because of higher values of alpha in the respective constructs as shown in Table 1 if the items deleted. These variables also had a low correlation to total correlation. Therefore, VAR_15, VAR_20, VAR_24, and VAR_35 were

not relevant in the study and were deleted from the analysis. None of the items were found to delete in the DMDs and OP constructs. Therefore, reliability statistics promoted 32 test variables within seven constructs under MAPs for further analysis.

The constructs' validity was assessed using composite reliability (CR) and average variance extracted (AVE). As recommended by Hair et al. (2006), individual scale items standardized regression weights equal to 0.50 and more were taken into consideration at the relevant constructs for calculating the CR and the AVE. The VAR_7 (variable & absorption costing) under FPMPs construct; the VAR_18 (kaizen costing) and the VAR_21 (process reengineering) under CRPs construct, and the VAR_23 (capital budgeting) under PCPs construct were not taken into consideration since they had lower the individual scale items standardized regression weights than 0.50. Similarly, the construct QMPs with associated variables (VAR_27' total quality management', VAR_28' environmental costing', and VAR_29' management by exception') and the construct OPMPs with associated variables (VAR_30' supply chain management', VAR_31' life cycle costing', VAR_32' benchmarking', VAR_33' customer profitability', VAR_34' responsibility accounting', and VAR_36' balanced scorecard') were also not taken into consideration due to lower the standardized regression weights than 0.50. Table 3 presented the validity statistics of the MAPs and promoted 15 test variables within five constructs. Therefore, validity statistics advanced 15 test variables within five sub-constructs under MAPs, five test variables under RMDs, and five test variables under OP construct for further analysis.

Table 3

Validity Statistics

	MAPs sub-constructs					Major constructs of the study		
	FPMPs	CAPs	RMPs	CRPs	PCPs	MAPs	DMDs	OP
Composite Reliability (CR)	0.742	0.722	0.740	0.811	0.701	0.981	0.787	0.901
Average Variance Extracted (AVE)	0.495	0.403	0.497	0.683	0.447	0.912	0.433	0.650

The validity statistics showed that all the constructs had a good CR value, i.e., greater than 0.7, as suggested by Fornell and Larcker (1981). They stated that if the AVE is less than 0.5, but CR is higher than 0.70, the latent measures' validity is adequate. In addition, Bagozzi and Baumgartner (1994) proclaimed that AVE values > 0.4 are considered acceptable measures of validity.

Besides, absolute values of skewness (- 0.491 to + 0.188) and kurtosis (- 1.149 to - 0.055) of

the observed variables proved normality of the data since they were reported within the recommended ± 2 range (George & Mallery, 2010). The absolute value of standardized residual covariance of the variables (- 1.613 to + 2.117) within the recommended range of ± 2.58 (Byrne, 2010) indicated that the latent variables had a significant effect the model.

Results and Analysis

The data were analyzed according to the confirmatory factor analysis (CFA), path analysis, and structural equation modeling (SEM) for dissecting and deciphering the information. Figure 2 demonstrated the standardized estimates and the fitness of the structural model. The model had adequate fitness ($\chi 2$ = 411.015; p = 0.000; $\chi 2$ /df = 1.545; SRMR = 0.030; RMSEA = 0.050; PCLOSE = 0.505; GFI = 0.872; AGFI = 0.843; RFI = 0.855; CFI = 0.950; NFI = 8.871; TLI = 0.944) and all the measures stood within the desired level. Path analysis and structural equation model provide an assessment of the model fit in terms of the reliability and validity of each construct tested and perform overall model, which include the direct and indirect relationship as presented in Figure 2.
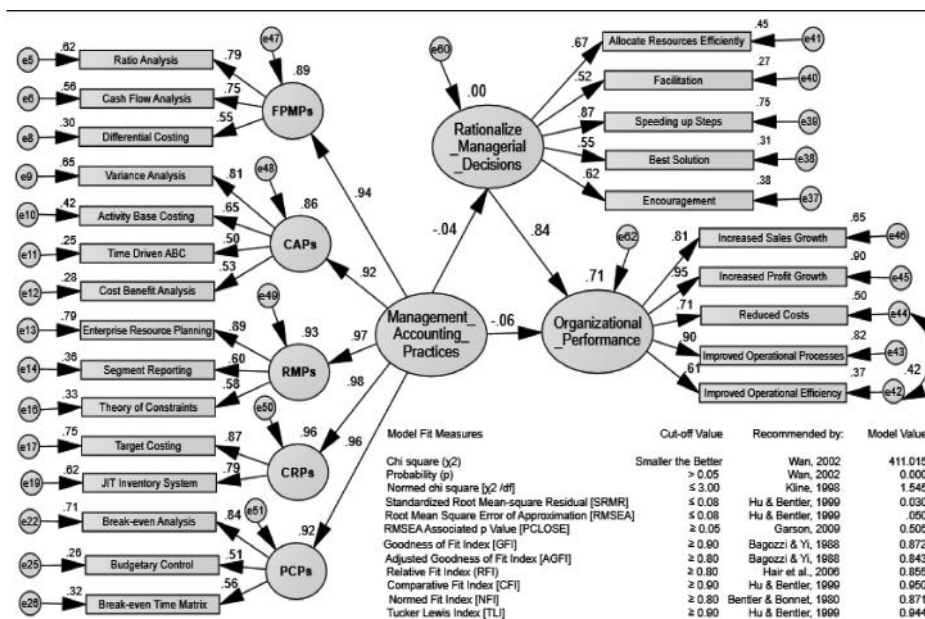

Figure 2 The study model

The effect of each variable had been defined in hypotheses testing. The results of testing the effect of MAPs on OP (β = - 0.058, CR = -1.177, p > 0.05) showed no significant relationship between the variables, and the H1 was not accepted. The results of testing the effect of MAPs on RMDs (β = - 0.037, CR = -0.483, p >

0.05) also had no significant relationship between the variables, and the H2 was also not acknowledged. In contrast with H1 and H2, testing the effect of H3 ($\beta = 0.837$, CR = 7.136, p < 0.01) had a positive and significant impact of RMDs on OP and given the decision to accept the H3. Based on the results of direct influence, it can be stated that MAPs had no significant impact on OP and RMDs, but RMDs had a positive and significant effect on the OP. The critical parameter estimates of the hypothesized model presented in Table 4.

Table 4

Test Results on the Hypothesized Model

Model	Estimate	Standardiz Estimate (β)	Standard Error (SE)	Critical Ratio (CR)	p-value	Remarks
Direct Influence						
H1: MAPs ----> OP	-0.044	-0.058	0.037	-1.177	0.239	Rejected
H2: MAPs ----> RMDs	-0.035	-0.037	0.072	-0.483	0.629	Rejected
H4: RMDs ----> OP	0.669	0.837	0.094	7.136	***	Accepted
Indirect Influence						
H4: MAPs ----> RMDs ----> OP	-0.024	-0.032	0.049	-0.490	0.625	Rejected

The model's calculated path coefficients explained the magnitude of the direct influence on endogenous variables, namely MAPs, RMDs, and OP. The direct, indirect, and total effects on the relationship between the variables are presented in Table 5.

Table 5

Direct, Indirect, and Total Effects of the Model

	Direct Effect	Indirect Effect	Total Effect	Remarks
MAPs ----> RMDs	-0.037 (NS) (p = 0.655)	-	-0.037 (NS) (p = 0.655)	Not Significant
RMDs ----> OP	0.837 (*) (p = 0.001)	-	0.837 (*) (0.001)	Significant
MAPs ----> RMDs ----> OP	-0.058 (NS) (0.215)	-0.032 (p = 0.625)	-0.089 (NS) (p = 0.224)	Not Significant

The fourth hypothesis stated that RMDs were able to mediate the effect of MAPs on OP. The results of testing the H4 ($\beta = -0.032$, CR = -0.490, p > 0.05) had no significant relationship between the variables, and the H4 was not accepted.

Discussion and Conclusion

A literature review of the study identified 32 observed variables within seven sub-constructs to assess MAPs. 17 such observed variables were refused by the respondents as they were not properly in practice in the Nepalese listed manufacturing companies though they were significant in the previous studies (like Baines & Langfield-Smith, 2003; Bisbe et al., 2007; Laitinen, 2014; Wahyuni & Triatmanto, 2020). The remaining 15 variables were studies within five sub-constructs. The first latent measure 'FPMPs' was assessed from three observed variables: ratio analysis ($\beta = 0.789$, $p < 0.01$); cash flow analysis ($\beta = 0.747$, $p < 0.01$); and differential costing ($\beta = 0.551$, $p < 0.01$). The second latent measure 'CAPs' was assessed from four observed variables: variance analysis ($\beta = 0.809$, $p < 0.01$); Activity based costing ($\beta = 0.651$, $p < 0.01$); time driven activity based costing ($\beta = 0.503$, $p < 0.01$); and cost benefit analysis ($\beta = 0.529$, $p < 0.01$). Similarly, the third latent measure 'RMPs' was assessed from three observed variables: enterprise resource planning ($\beta = 0.891$, $p < 0.01$); segment reporting ($\beta = 0.603$, $p < 0.01$); and theory of constraints ($\beta = 0.578$, $p < 0.01$). The fourth measure 'CRPs' was assessed from two observed variables: target costing ($\beta = 0.865$, $p < 0.01$); and JIT inventory system ($\beta = 0.786$, $p < 0.01$). The fifth measure 'PCPs' was assessed from three observed variables: break-even analysis ($\beta = 0.841$, $p < 0.01$); budgetary control ($\beta = 0.514$, $p < 0.01$); and break-even matrix ($\beta = 0.563$, $p < 0.01$).

The study had three major constructs namely MAPs, RMDs and OP. The MAPs construct was assessed from five latent measures: FPMPs ($\beta = 0.942$, $p < 0.01$); CAPs ($\beta = 0.924$, $p < 0.01$); RMPs ($\beta = 0.967$, $p < 0.01$); CRPs ($\beta = 0.982$, $p < 0.01$); and PCPs ($\beta = 0.959$, $p < 0.01$). The RMDs construct was assessed form five observed variables: allocate resources efficiently ($\beta = 0.677$, $p < 0.01$); facilitation ($\beta = 0.518$, $p < 0.01$); speeding up steps ($\beta = 0.866$, $p < 0.01$); best solution ($\beta = 0.554$, $p < 0.01$); and encouragement ($\beta = 0.618$, $p < 0.01$). The OP construct was also assessed from five observed variables: increased sales growth ($\beta = 0.805$, $p < 0.01$); increased profit growth ($\beta = 0.949$, $p < 0.01$); reduced costs ($\beta = 0.712$, $p < 0.01$); improved operational processes ($\beta = 0.901$, $p < 0.01$); and improved operational efficiency ($\beta = 0.618$, $p < 0.01$). As opposite with earlier studies (like Chenhall & Euske, 2007; Moores & Yuen, 2001; Nor et al., 2016; Polnaya et al., 2018; Seal, 2006) the findings showed that MAPs had no significant relationships with OP ($\beta = -0.058$, $p = 0.215$) as well as RMDs ($\beta = -0.037$, $p = 0.655$) in the Nepalese scenario. Besides, as consistent with Saukkonen et al. (2018) study, RMDs had positive and significant relationship with OP ($\beta = 0.837$, $p < 0.01$). With respect to the hypothesized relationships of MAPs, RMDs, and OP; the findings of the study as summarized in Table 6 showed that there was no significant mediating effect occurred in the relationship of MAPs and OP via RMDs.

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Table 6

The Model Summary

	Direct Effect Without Mediator	Indirect Effect	Direct Effect in the Presence of Mediator	Remarks
MAPs -------> OP	-0.095 (NS) (p = 0.193)	-0.032 (NS) (p = 0.625)	-0.058 (NS) (p = 0.215)	No Mediation
Mediator: RMDs		No Mediation		

The results of this study showed that MAPs and strategies are considered contextual variables in RMDs. Based on the principle of contingency, management accounting best practices relied on the circumstances. Many researchers explained the application of the contingency principle in accounting in several ways. Shank (1989) applied contingency concepts to investigate strategically utilizing managerial accounting systems and knowledge. Banker et al. (1993) analyzed the effect of MAPs and found companies adopting non-financial-based practices were more likely to provide performance information.

MAPs are multidimensional facets of success that consider management's obstacles in future action courses based on customers, industries, rivals, decisions, procedures, operations, etc. MAPs broaden their reach to the strategic aspects of decisions that enable the organization to use internal and external information. Industry-relevant MAPs take new forms commensurate with market competition and apply a range of RMDs and OP methods that gather strategic, operational, and financial knowledge.

In general, MAPs rely on employees' engagement in the hope that such participation would contribute to the discovery of innovation opportunities and enhanced organizational efficiency. In order to effectively introduce MAPs in manufacturing industries, employees need to find ways of enhancing production procedures, reducing defects and delays, and ensuring productive production. The reporting of manufacturing performance information provides the input required for learning and directs their efforts to increase efficiency and quality. If MAPs are adopted as part of an overall organizational strategy, the study findings can improve organizational performance. It needs a better understanding of variables affecting variations in the degree of acceptance of newly developed practices between industries and countries.

Limitations and Future Research

A few standard questionnaires and some MAPs in the sample were used in the study. The use and relevance of the MAPs were taken into account in ignoring the reasons for this. The results could be different if the study considered the respondents' qualifications since most respondents did not have a good idea

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about the MAPs. Lack of knowledge and awareness about the concept and usability of MAPs with the manufacturing organization's concerned personnel departs the organization from the full advantage of their use for superior organizational efficiency. Only companies belonging to the manufacturing sector were addressed in the study without distinguishing each particular industry's results from others. To improve the generalizability of the study, more sectors and industries should be examined.

MAPs are rarely studied in Nepal. So, researchers may be interested in contributing to this field. It will enlarge the scope of a further researcher who benefits the practitioners to find viable solutions to the issues identified in this study. Future research may be simplified with the classification of MAPs into quantitative, qualitative, and mixed practices; hence the respondents can respond efficiently. A larger sample size or different sectors or new hypotheses or theories can be taken to get the best outcome to generalize the results. It may also provide insight into the dynamic elements of practices by replicating this study's quantitative parts with the same sample (i.e., longitudinal research to examine the various changes through time). It's going to be an excellent chance to test whether activities change over time. Do MAPs undergo a loop of importance in life?

Implications

In Nepal, this research would be of particular relevance because it would help to determine the impact of MAPs on the manufacturing organizations' efficiency. Nepalese manufacturing companies can use the study model as a guideline to introduce a new method that incorporates MAPs, RMDs, and OP. Researchers may attract the concerned personnel's attention towards the MAPs to make effective management decisions, improve the organization's innovative capacity, and flexibility to continually change and improve the organizational performance. Policymakers can identify which of the MAPs requires support in terms of policies, regulation, and practices. Therefore, academics and practitioners may use this study to increase their knowledge of MAPs, RMDs, and OPs, which in turn helps them assist the Nepalese manufacturing industry in improving organizational efficiency.

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Guideline for article submission

International Research Journal of Management Science (IRJM) is a management research journal published by Nepal College of management annually. The aim of this publication is to extract the ideas, opinions and thoughts of academicians to the business sector in Nepal and provide platform to the scholars for disseminating research works. It is welcomed to the academia and practitioners to submit their empirical and theoretical work on issues of current management and business in the Nepalese context.

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Modigliani, F. and Miller, M. (1958). The Cost of Capital, Corporation Finance and the Theory of Investment, American Economic Review, Vol. 53, pp 433-473.

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