



Evaluating Accounting Information as a Driver of Strategic Corporate Decision Making in Organization

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ABSTRACT

The study is a survey research aimed at evaluating the predictive powers of accounting information as a catalyst to sound managerial policy decisions. Business strategic decisions can not be left to rules of the thumb but should be predicated on empirical data pointing to the necessity of a strategic interventions. To what extent do accounting information aid management in decision making? How dependable are the accounting information as diagnostic tools to guide management in prescribing the next line of actions? With the adoption of the global uniform standards in financial reporting, how have the Nigerian reporting entities converge their accounting information to reflect high quality reporting as envisaged by the proponents of IFRS?. Data was collected using a stratified random sampling strategy form the banking population in North central Nigeria. Sample size was statistically determined at 100 participants from 6 banks comprising privately owned regional and national banks. A simple regression was conducted to test the main effect of accounting information and managerial decision and a correlational analysis carried out to determine the strength of relationship between the variables. A statistically significant positive effect was established between accounting information and policy formulation by management of these banks. The study concluded that there is a strong correlation between the two variables and made recommendation for improvement in the qualities of accounting information as a main driver of sound managerial decision making by reporting entities.

Keyword: Accounting Information; Empirical Data; Strategic decisions; Random Sampling

INTRODUCTION

Background of the Study

Making decisions is part of every day life and it is often one of the main functions of management. Indeed, management and decision-making are often considered as an integrated tasks and management usually makes the most strategic decisions of the organization (Young, 1982). Decision making process involves the selection of the best course of actions (Emmanuel et al., 1990). In order to decide on the best option, management has to judge the effectiveness of various alternatives based on some data (Bierman et al., 1986). For this reason, they often depend on financial and economic information gathered by Management Accounting personnel. Management information system is indispensable tool for decision making process in today's turbulent world. The quality of information at the reach of management impacts the effectiveness of decision making and the eventual effect on the organizational survival. Ttechnology tools have been found to extensively improve efficiency, effectiveness and overall decision-making chains. In addition, accounting information system (AIS) plays the key role in management decision making in corporate entities.

Managing the company is the process of conducting business operations toward achieving strategic objectives, therefore at the front burner is the task of making sound and innovative decision that will drive efficiency of operations, as wrong or misleading decision comes at a high price. Each decision must be based on precise, qualitative, timely and unambiguous information. The term information can be defined in a number of ways. In this case, the most appropriate definition of information would be: powerful and indispensable resource



without which the company is unable to accomplish growth and development objectives. The existence of successful and efficient management of the company is inconceivable without adequate information, having in mind that we live in an era of high information technology expansion and when the communication as a modern tool of information exchange is highly developed.

For a company, on daily basis different kinds of information are needed: information from the field of finance and accounting, quantitative and qualitative, technical and technological information, and many other business and non-business information are processed routinely. In order to serve its purpose, after information are collected they are processed, classified and stored within the company. For effective and efficient information processing it is necessary to have an integrated set of components, called an information system. Business information system is composed of several subsystems: management information system, accounting information system, marketing information system, human resource information system and others. Undoubtedly, significant role in information processing for effective decision making, belongs to accounting information system. Accounting information system which collects and processes data from the area of accounting planning, business transactions recording, controlling and analyzing, should generate valid, timely and qualitative information.

Qualitative financial information should be comprehensible, comparable, relevant and reliable. Information published in the form of financial statements should be understandable to the end users. Every private or public organization, whether profit-making or non-profit making oriented, small or large scale, requires and uses accounting information to inform strategic decisions, and needs for information vary depending on what each information user require (Nicolas & Mchugh, 2009). Accounting as a discipline is concerned with collection, analysis and communication of financial information. This information is valuable to those who make business decisions and plans and also to those who control the businesses. For example, business managers may need accounting information in the areas of new product or service development, increase or decrease in price or quantity of existing product or service, borrowing money for the purpose of financing operations, increase or decrease business operating capacity, make a changes in purchasing, production or distribution methods.

Other stakeholders may require accounting information for the purpose of making investment decisions, lending decision (whether to lend money or not), to advance credit facilities, or to enter into contracts regarding purchase of products or services (McLaney & Atrill, 2010)

Statement of the Problem

Decision making process requires information and accounting is the most important source of information for this purpose. Accounting information helps give a clear position on the financial state of the firm and help stakeholders diagnose the state of health of the firm. It is the fulcrum for all strategic decision by management. Firms often use accounting information to support the management decisions (Vitez & Baligh, 2011). Findings from previous research indicate that accounting information is important in organizational decision-making. However, prior studies have not analyzed the consequential fatality of poor strategic decisions on the strength of misleading accounting information with particular reference to banking industry. Understanding the relationship between these two variables is important as it will enable investors and other providers of funds to make more effective decisions, particularly strategic decisions that impact on the growth and survival of the business (Tickell, 2010).

Several studies have been conducted on accounting information and decision-making. A few of such are: Kariyawasam (2016) who studied the relationship that exists between accounting information and corporate strategic decisions in the Banking sectors and found that accounting information has a statistically significant strong positive relationship with both marketing linked strategic decisions and industrial related strategic decision of companies operating in Nigerian Banking Industries. Hafij, Jamil and Syeda (2014) studied the role played by accounting information and strategic decisions in First Bank of Nigeria plc and found that there is significant relationship that exists in strategic decisions and accounting information. Siyanbola (2012) studied how information from accounting guides management's decisions in Nigerian Banking Sectors and found that there exists a significant relationship between them. Botha (2014) did a study on the relationship that is there



between information in cash-based accounting in Nigeria and performance of the management and argued that there was no clear connection between the performance information and financial information.

There is paucity of literature on the effect of accounting information on managerial strategic decision policies in Nigerian banking industry. A number of scholars documented the existence of statistically significant relationship between accounting information and performance and survival of companies but no scholar clearly documented and analyzed how accounting information drives managerial decision-making process. This is the research gap that this study attempts to address by studying the effect of accounting information on decision making in banking industry in Nigeria.

Accounting information in Nigeria has been ridiculed with poor and inaccurate presentations, incoherent measurement, overlapped and inconsistent estimations with multiple regulatory jurisdictions Ogbenjuwa (2016). The adoption of International Financial Reporting Standards was meant to improve on the reliability, and comparability of accounting information quality, but since the announcement of the adoption policy statement by the government of Nigeria, the actual adoption has suffered wobbling experience amidst infrastructural deficiencies and institutional inadequacies Ogbenjuwa (2025).

Furthermore, the major challenge facing every financial institution\ business, organization of today is market relevance, on-going fundamental changes in the global politics, economy and emerging competitions particularly challenges proper adequate and contemporary accounting information for management decision making. The company itself tries to coordinate all these challenges effectively and efficiently so as to minimize any anticipated and unanticipated pitfalls Edward (1976). If a sound and effective accounting system is applied properly by the financial institutions/organization, the difference will be clear.

Objective of the Study

The objective of this study is the evaluation of accounting information and its effects on decision making in organization.

Specifically the objectives of this study are;

- (i) To analyze the patterns of management strategic decision driven by the accounting information at their disposal.
- (ii) To evaluate the quality of accounting information in alignment with the globally adopted International Financial Reporting Standards.
- (iii) To evaluate management apathy and neglect of accounting information in the formulation of strategic and corporate policies.

Research

1. How reliable, comparable and dependable are the accounting information produced by corporate entities necessary for management decision making process?
2. To what extent does accounting information crystalize managerial decision making in organizations in Nigeria?

To what extent have management of corporate firms in Nigeria deploy accounting information to take strategic decisions?

Research Hypothesis

Abubakar (2004) argued that hypothesis is a theoretical conceptualization about the assumed relationship between the variables. Hypothesis helps the researcher to predict the relationship between two variables. For the purpose of this study, the following hypothesis was available for testing;



Ho – There is no statistically significant difference in the respondent size among those who accept that accounting information as not tools for management decision making.

H1 – There is a statistically significant difference in the respondent size among those who accept that accounting information as tools for management decision making.

Scope of Study

This study covers samples drawn from the private sectors of the economy, as those who predominantly use the International Financial Reporting standards as opposed to government sectors entities which use International Public Sector Accounting Standards. IFRS based financial reports is adjudged to be more transparent and of higher quality than local standards based financial reports. The private sector entities are profit driven focused and therefore operate in more transparent and efficient ways. The directors are more compelled to use accounting information and every available tools to drive operation and achieve stated objectives. The relationship that exist between accounting information and management decision making will be examined and some related literatures in the field of the study will be reviewed and incorporated.

The study will also be limited to the importance of each branch of accounting and the type of information they prepare, usefulness of each of the information prepared by individual segment of the branches of accounting, examples financial accounting section, management accounting section and cost accounting section.

Empirical Studies

This section highlights prior empirical studies on the subject and forms the bedrock of the study necessary to review theories. According to the American Institute of Certified Public Accountants (1970) defined accounting as “the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are in part at least of a financial character and interpreting the result.

Theoretical Framework

The study adopted the following theoretical framework as lenses to analyze undergirding philosophies:

Theory of the Firm

Coarse (1937) argued that the theory of the firm is market related. There are quite a number of economic theories in firm theory that define, clarify and gives forecast of the company, which includes firm’s survival, behavior, structure, and association markets.

A firm is a “black box” which works with an aim of meeting managerial conditions related to inputs and outputs that lead to profit maximization or gives present values. The theory in clarifying why managers and entrepreneurs use financial structures that are fixed while having debt and equity select activities that leads to a low value of a firm as compared to if they were the owners of the businesses. It also explains why the result is independent whether a firm is operating with a competitive product, factor markets or monopolistic (Kantarelis, 2007).

The theory of the firm answers the questions of why the firms are structured in a similar way, for instance as to decentralization or hierarchy? Organization, Boundaries, Existence, firm’s heterogeneity activities and their performances, the drive of different actions for different firms, evidence and the assessments put in place for a particular firm theory (Thomas, 2008).

De Paula (1990) in posited that risk assessment is important for the existence of the firm. Millichamp (1999) held stated that monitoring of activities being undertaken by a firm reduces risk of deliberate handling of accounts and automatically leads to an increase of element of checking. This leads to profits maximization by the firm since it makes fraud more difficult to be committed. This theory becomes very important in the



current research proposal since it assists in shading light on how to make better decisions through managerial interaction with financial accounting information.

Contingency Theory

This theory studies organizational performance and offers explanations as to how contingent related factors such as external environment, technological factors and culture, affect the function and design of organizations (Drury, 2008). A certain culture in an organization may be peculiar to that organization and may not be applicable to another organization and this is the main assumption underlying contingency theory. In that regard, organizational efficiency purely depends on a fit that exists between the type of volatility, environmental, technology, the organizational size, its information system, and the features of the organizational structure. Woods, (2009) held that organizations structures formed basis of contingency theory as established on theories of sociological functionalist. The theory is used to give a description on relationship that exists between organizational control and its performance, particularly dependability of financial reporting (Cadez & Guilding, 2008).

Some of the factors influencing control of the systems by management include external environment factors outside the organization, size of the firm, technology used by the firm, structure and national culture Cadez & Guilding (2008). The theory implies that control activities in an organization are highly encouraged by technical activities. Organization culture is influenced where information is located in relation to technology and environment. When there is non- routine technology and the environment is uncertain, information is usually frequently internal. On the other hand, where the technology is routine or the environment surrounding is certain, information is outside the organization. Measurements of control and structure are activities structure & authority structure, i.e., guidelines and measures which regulate the will of individuals. Authority is the social power. Where we have uncertainty or technology that is changing, decentralization is seen to be more suitable. On the other hand, centralization becomes suitable in environments that are certain. According to Contingency theory, design and control that a system uses is dependent on how the organization is set and more importantly on how the set controls operate. (Fisher, 1998). Factors, including external environment, size, structure, technology, strategy and national culture influence how the control systems are managed. This model proposes that the forces brought by technical activities bring about development that organizations use when undertaking internal control and coordination of its activities.

Determinants of Decision Making

Decision's understanding is the level to which the individual making such decision knows the problem at hand. Nooraie (2011) established familiarity to be significantly and negatively related to the processes involved in making strategic decisions, He however held that in making strategic decisions, familiarity is significantly positively and linked to politicization Dutton, (2006) argued that crisis is linked to devolution. Milburn, (2003) however argued that when there exists actual crisis, the relationship becomes centralized. There is criticalness to decision makers when making decisions, and this brings about influence in decision characteristics process Carter (2011). In a study conducted, Astley et al. (2012) concluded that decision's complications is related to the level of decisions made. Papadakis et al. (2008) suggested that there is a negative association of the degree of rationality when making decisions, but positive relation to the degree of decentralization when a new business investment in marketing.

Organizational Structure and Power

There are several ways of defining Organizational structure. Frederickson (2006) describes it as the point of formalization, integration and centralization. Formal integration and extent of rationality and collaboration are positively linked in making more innovative in more successful firms. Miller (2007) identified a positive relationship between rationality in making decisions and formalization but when he compared centralization and decision making, there was a negative relation.

Wally and Baum (2014) concluded that when there is centralization in a firm when making decisions, the executive evaluate an alternative at a slower pace. When there is centralization of power, a positive influence



on processes of making decisions occurs and this affects the extent of politicization Bourgeois and Eisenhardt (2008). Patterns found when making decisions in organizations are brought about by organizational models used which include bureaucracy and machine adhocracy and they are usually linked to the structure of the organization and in other cases the leadership styles in the organization (Langley, 2010).

Organizational Size

Organizational strategic decisions are influenced by the size of the organization. Smaller business have much greater participation in making decisions as compared to managers of larger units Duhaime and Baird (2007). There are inconsistent results that have been developed in Literature review in relation to the size of the firm and making of strategic decisions. Example Fredrickson (2006) identified that there is a positive relationship between comprehensiveness in decision making. Dean and Sharfman (2013) did not find such an existing relationship. On the other hand, Nooraie (2008) argued that the size of an organization and rationality has a positive association in decision making but there is a negative relationship when compared with politicization.

Management Education and Experience

According to Hambrick and Mason (2014) the amount, and not the field or level of education that a manager possess has a positive relationship to innovations. This is in tandem with Nahavandi and Malekzadeh (2013) who argued that specific features greatly affect the heuristics and reasoning capabilities used by managers while making strategic decisions.

Empirical Literature

Hafij, Jamil and Syeda (2014) did a study on what role accounting information has in making strategic decisions specifically in industrial businesses in Bangladesh and identified five areas that require strategic decision such as manufacturing, human resource, basic strategic, long term investment and marketing. T-test, Mean, standard deviation and percentages, were used to define efficiency of the accounting information when making strategic decisions that are long-term. The study proved that there is noteworthy relationship that exists between accounting information and strategic decisions in all the designated areas that considerably depend on accounting information.

Ionu and Petec (2015) analyzed the significance of accounting information in decision making. The researchers identified four principal qualitative characteristics: Reliability, compatibility of information, comprehensibility, and relevance. The argued that accounting information has a crucial role in substantiating the economic decisions, offering the possibility of an accurate representation of economic phenomena and processes. There is a consistent pattern in the use of information provided by financial statements for managerial decision. This indicates that accounting information has a positive relationship with decision making. Gwangwava, Faitira and Tendere (2016) evaluated organization bookkeeping information using A sample of 135 firms through ZTA database. There was a positive relationship between database information and the performance of SMEs.

Harendra (2016) held that relationship existed between accounting Information and decision making in the First Bank Nig. Ltd. The relationship between accounting information and decision making was analyzed using Pearson's Correlation. Findings from the study indicated that accounting information has a statistically significant strong positive correlation with both decision making and related strategic decision making of First Bank Nig. Ltd.

According to Drury (2008) accounting is the language that communicates economic information about the business activities. A central matter in both management accounting and decision-making relates to the linkage of management accounting information (MAI) with strategic planning (Atrill & McLaney, 2009). Literature on this connection is becoming more and more prevalent. The remarkable development in technology has opened up the possibility of generating and using MAI from a strategic standpoint (Bruening et al, 2008). In a climate of rising uncertainty and rapid change, organizations world over require greater competence when it comes to accounting practice and effective strategies. Nnenna (2012) and Drury (2008) all argued that the turbulent



business environment is forcing enterprises to seek more updated accounting information in strategic planning. MAI can be a significant aid to effective strategic planning. The use of management accounting as a strategic planning tool is necessary in driving organizations as myriad of threats and challenges continue in a globally connected world (Frezatti et al., 2009).

Accounting Information

In a broader view, American Institute of Certified Public Accountants (1970) argued that the function of accounting is to provide quantitative information, primarily financial in nature, about economic entities that is needed in making economic decision. An economic entity is a unit such as a business that has independent existence). Etuk-Udo (2003) stated that the modern accountants are concern not only on record keeping but also with a whole range of activities involving planning and problem solving, control and attention, directing and evaluation, review and auditing. Stanford (1978) argued that information system that measures, processes and communicates financial information allows the users to make reasonable choice among alternative of scarce resources in the conduct of business and economic activities.

A distinction is traditionally made between accounting information that is provided for those people within the business and that which is provided for those outside the business (internal and external users). James (1979) stated that management accounting concerns accounting information used mainly by those within the business organization (internal or management). And that it gives answers to;

- (i) How income is being created?
- (ii) What are the available resources in the firm?
- (iii) How much does the company owe to the outside?

James (1979) also held that financial accounting information report is used by the outsider (external or shareholders) of the organization.

However, Robert (1979) posited that whether management or financial accounting information, both are very essential to the management in making decision to achieve business goals. Furthermore, Robert (1979) argued that accounting system creates information by recording business events as they occur and summarizing the data into accounting reports designed to meet the information needs of decision makers. The ultimate justification of accounting information therefore is its usefulness in certain objective. Robert (1979) stated these objectives and specified as follows;

- (i) Report of financial information to proprietors, and other interested parties; such reports may include the preparation of annual reports.
- (ii) Provision of information for planning and decision making to management, through analysis of data about past transactions and events and projection of future economic events.
- (iii) Measurement of financial data by means of proper recording, analysing and interpreting in accordance with International Financial Reporting Standards.
- (iv) Internal control, including the safe-guarding of organization's money and other properties, the regular collection and payment of money owed to and by it, and the prevention and detection of errors and frauds by employees of the organization.

Bookkeeping: An Accounting Process

Bookkeeping as a process of accounting is the means of recording transaction and keeping records. Mechanical and repetitive bookkeeping is only a small simple part of accounting.

Accounting on the other hand, includes the design of an information system that meets users' needs, as described earlier. The major goals of accounting are the analysis, interpretation and the use of information. Chris (1990) posited that Accountants look for important relationships in the figure they produce and are interested in finding trends and studying the effects of different alternatives. Accounting includes system design, budgeting, cost analysis and income tax preparation or planning.



Accounting and Management Information System (MIS)

Most businesses use a large amount of non-financial information. Their marketing departments for example, are interested in the style or packaging of competitor products. Personnel departments keep health and employment records of employees. With the wide spread of computers and computer applications today, many of these varied information needs are being organized into what is called Management Information System (MIS). According to Esiefa (2005) the management information systems consist of interconnected subsystems that provide the information needed to run a business. The accounting information system is the most important subsystem because it plays the primary role of managing the flow of economic data to all parts of the business and to interested parties outside the business. Accounting is the financial hub of the management information system; it gives both management and outsiders a complete view of the business organization.

Some organizations have many operational activities, but how to express the achievement of the operation requires qualification of the operational activities and accounting services as a tool for quantifying (management) activities and the result is the accounting information. Simply put, accounting information is to use the language to reflect the operational achievements but why is accounting information so important? Mainly it has too close relation with all. As economic cells of the society, all enterprises or organizations are associated with people which rely on accounting information. For instance, Graham (1990) argued that an investor has to take decision based on accounting information; enterprises (management) has to take operational and other decisions according to accounting information, banks have to take decisions on loans base on accounting information.

Recording and Reporting Accounting Information

Accounting is often viewed as being limited to the recording process. No distinction is perceived between the recording and the reporting of accounting data. The recording process involves measuring business transactions. This process according to Stamford (1978) may take form of hand written records, records produced mechanically or on cards or magnetic tape in a computerized system.

The reporting function is much broader according to Stamford (1978) because it consists of classifying and summarizing accounting data into financial statements, as well as preparing any other interpretive disclosures necessary to make the data understandable. The process is highly technical and requires an accountant with extensive training, experience and also professional judgement. In addition to record and report, accounting information according to Chris (1990) also include the designing of account systems, the audit of financial statements, cost of studies and the preparation of tax returns.

Reliability of Accounting Information

According to Walter (1979) accounting information mirrors the operational achievements and financial situation of an enterprise truthfully and fairly enough to be true and fair. The accounting information, according to Robert (1979) therefore, as to be complete, mirroring the operational condition of the enterprise in round manner.

The Users of Accounting Information

The users of accounting can be divided roughly into three (3) groups according to Needles/Anderson Caldwell 5 (1976), they are: -

1. Those who manage a business (Management)
2. Those outside a business enterprise who have direct financial interest in the business; and
 - (i) Those persons, groups or agencies that have an indirect financial interest in the business.



Management

The management decision and analysis in financial condition and results of operation focuses on the financial statements as a whole rather than on the summary of operations and call for discussion of at least three (3) aspects of the organisation, these are the liquidity, capital resources and results of operations. Needles/Anderson Caldwell 5 (1976) stated that within each area of discussion, “Favourable and unfavourable trends and the identification of significant events or uncertainties are to be emphasized”.

This discussion should also include a narrative discussion of the effect of inflation and perhaps changing prices on an enterprise’s net sales and revenue and on income from continuing operation according to Needles (1976).

One thing to note is that, the group of people in a business who have overall responsibility for achieving the company’s goals. Business enterprises have many goals. According to Richard (1982) these goals include “providing quality goods and services at low cost, creating new and improved products, increasing the number of jobs available, improving the environment and accomplishing many other social tasks”. In order to achieve these goal (profitability and liquidity).

Liquidity means having enough funds in hand to pay debts when fall due.

Management at all levels is responsible for a company’s successful operation. In a small business, the greatest responsibility is often with the owner who also manages the company’s operation. In a large corporation, the company’s goal will be assigned to many people from the board of directors and officers of the firm to the management, departmental heads and supervisors.

Managers must constantly decide what to do, how to do it, and whether the result matches the original plans. Successful managers consistently make the right decision on the basis of timely and valid information. Many of these decisions are based on the flow of accounting data as one of the most important uses of accounting information, and a major function of accounting is to provide management with relevant and useful information.

For example, here are some questions a manager might ask: -

- (i) What products are most profitable?
- (ii) What was the company’s net income during the past quarter?
- (iii) What is the cost of manufacturing each product?

All these questions can be answered with the help of accounting information.

Users with Direct Financial Interest

A major function of accounting information stated by Graham (1990) “is to measure and report information about how a business has performed”. Most businesses periodically publishes a set of general-purpose financial statement that report on their successes in meeting objectives of profitability and liquidity. Though these statements show what has happened in the past, they are important guides to future success. Today, there are many people outside the company who carefully study these financial reports. They are: -

- (i) Present or potential investors
- (ii) Present or potential creditors

Present or Potential Investors

Those who are thinking of investing in a company are interested in the past success of the business and its



potential earning in the future. A thorough study of the company's financial statements will help potential investors judge the prospects for a profitable investment. After investing in a company, investors must continually review their commitment.

1. Is the company performing as expected?
2. Are earnings satisfactory?
3. Are interest payments and other distributions protected by an adequate supply of cash flow?
4. Is the company investing in projects that can be expected to be profitable?

All these methods of financing questions and many more can be answered by a study of the periodic financial statement.

Present or Potential Creditors

Most companies must borrow money for both long-term and short-term operation needs. The creditors who lend the money are interested mainly in whether the cash to pay the interest charges and repay the debt at the appropriate time is adequate. They study the company's liquidity and cash flow as well as its profitability. Banks, finance companies, mortgage companies, security firms, insurance firms, individuals and others who lend money will not except they analyse a company's financial position before making a loan to the company.

Users with Indirect Financial Interest

The society as a whole through its government officials and public groups, have in recent years become one of the biggest and most important users of accounting information. Some of the users who need accounting information to make decisions on public issues include: -

- (i) Tax authorities
 - (ii) Regulatory agencies
 - (iii) Economic planners, and
 - (iv) Other groups.
- (i) Tax authorities: -

Governments are financed through the payment of taxes. Under federal, state and local laws, companies and individuals pay taxes. Among these levies are federal, state and city income taxes, social security and other payroll taxes and sales taxes. Each tax requires special tax returns and often a complex set of records as well. Proper accounting is generally a matter of law and can be very complicated. The internal revenue code of the federal government, for instance, contains thousands of rules governing preparation of the financial statements used in computing federal income tax.

- (ii) Regulatory agencies: -

Most companies must report to one or more regulatory agencies at the federal, state and local levels. All public corporations must report periodically to the Security and Exchange Commission (SEC). This body was set up by congress to protect the public and therefore regulate the public and selling of stocks. Accounting reports are also important in other areas of government regulations. The Interstate Commerce Commission regulates Industries such as transportation (trucking and railroads) and Federal Aviation Administration regulates airline and maintenance of airstrips. All public utilities such as electricity, gas, telephone companies are regulated and must defend their rates with accounting reports. Accounting is also involved in the new and broader



regulations like those of environmental protection agency, which is concerned with the cost and speed of reducing environmental pollution.

(iii) Economic planners: -

Since the 1930s, the government took active part in planning and forecasting economic activities, which led to greater use of accounting and accounting information. A system of accounting called Nation Income Accounting (NIA) was developed for the economy. It deals with the total production, inventories, income, dividends, and taxes of our economy. Planners, who are members of the president's Council of Economic advisers or are connected with the Federal Reserve System, use this information to set economic policies and judge economic programme.

(iv) Other groups: -

Employees, consumers and the general public, all have an interest in the financial statements of businesses. Employees and labour unions study the financial statements of corporation as part of their task of preparing for important labour negotiation. The amount and computation of income and costs are often important in this negotiation. Those who advise investors and creditors (that is, auditor) also have an indirect interest in the financial performance and prospect of a business. In this group are financial analysts and advisers, brokers, underwriters, lawyers, economists and the financial press. Consumers' group, customers and the general public have become more curious about the financing and earnings of corporations in their environment, this is to measure the corporations' extent of social responsibility.

Accounting information is used more than commonly realized. Here are some question according to Graham (1990) a company (bank) might face in its everyday activities, that's involving accounting information

- (i) In applying for loan: - How should the financial statement for the bank be computed? How is the interest on the loan computed?
- (ii) In making an investment: - Is this a good company to invest in?
- (iii) What is the risk? Is the company in a good cash position?
- (iv) In going to school: - How much money will it take to get through the next school year? Will there be enough money for rent, food and transportation next month? etc.
- (v) In taking a job: - Is the company financially sound? Are they the most profitable? What are the company's benefit plan and retirement programme?

There are just few of many important uses of accounting information. As a member of various groups in management and society, the student of business and financial accounting will be doing accounting daily as an aid in making difficult decisions.

Standards for the Usefulness of Accounting Information

If accounting information is to be useful, it is very important to set out some standards for finding out the usefulness of the information, which is produced. So, it is of great importance to know the standard for selecting tools among various accounting information. However, Walter (1979) stated "Accounting information must have two (2) major qualitative characteristics" which are: -

1. Reliability and
2. Relevance

Reliability: -

Information must be reliable as well as relevant. Reliability is related to representational faithfulness, verification and neutrality. Representational faithfulness has to do with how well the information agrees with what is meant to represent. The Central Bank of Nigeria (2003) stated, "Accounting information is to give a



clear picture of the economic resources and obligations”. Verifiability deals with the credibility of accounting information and means that the information can be confirmed as duplicated by independent parties using the same means of measuring.

Neutrality means that in carrying out Generally Accepted Accounting Principle (GAAP), the main concern should be the relevance and reliability of the accounting information, not the effect of carrying out the principle, which may have a particular interest. This should not mean that accounting information should be without purpose according to Walter (1979). He said “business activity must be reported as faithfully as possible, without colouring the picture that is being presented in order to influence anyone in a certain direction”.

Relevance: -

Relevance according to Walter (1979) means that, “information is able to make difference to the outcome of a decision, information prepared for performance and control purpose should cover only those items for which the managers are responsible”. The Central Bank of Nigeria (2003) also stated that “accounting information should also be useful or helpful in choosing among alternatives faced by those making the decision”. For example, a manager who wishes to decide whether or not to change old machine must have an estimate of the future income (income as a result of retaining the assets and those from changing it). Information can influence a decision if it has predictive value, feedback value and if it is timely.

Predictive value according to Walter (1979) means that, “information is useful to the decision maker in making a prediction, not self prediction but professional”. To have feedback value means the information must tell something about the accuracy of earlier expectations. Timeless according to Esiefa (2005) means, “having the information arrives in time or ready when needed (if the value will not be relevant)”.

Types of Information Needed for Decision Making

As stated earlier, the objective of accounting information is to provide information that will help the users make better economic decision. According to Graham (1990) he stated that, “the users of accounting information are interested in three (3) types of information”, which are as follow;

1. Past performance
2. Present performance, and
3. Future performance

The past performance

This type of information concerns such items as income, sales volume, extraordinary items, cash flows and return on investment to help assess the success of the business and the effectiveness of the management. Past information also helps greatly in decision making by allowing users to compare one entity with the others.

The present performance

The present performance is also useful in assessing the cash and profit potential of the business. Graham (1990) stated that “it also help decision makers to answer the following questions by evaluating the information about the present condition of a business”, such questions are: -

1. What types of assets are owned?
2. What are the retained earnings of the business?
3. What is the earning per share (EPS)?



4. What is the return on investment and debt to equity ratio?

The answers to these related questions will help the users (shareholders) or the decision makers (management) to assess the success or failure of the past.

The future performance

In practicing the probable future impact of decision, reliable measurement of what happened in the recent past are valuable. As we know, the future of an organization is full of risk and uncertainty. To study these trends and conduct other relevant analysis for the future, the management needs relevant and reliable accounting information. This type of information springs from the fact that all decisions are future oriented which does not affect the past but forecasting success in time to come.

Thus, accounting information are indispensable tools, if a sound financial and managerial decisions are to be made.

Other Characteristics of Accounting Information

Aloba (2000) held that accounting information has other attributes to make information useful to management for decision making, these are:-

1. Understandability
2. Comparability and
3. Accuracy

Understandability

The accounting information should be reported in a form that will be understandable, reasonably by management. The information must be interpreted correctly so as not to be misleading. If information is not understandable, it will not be useful. Understandability requires that information must be as simple as possible.

Comparability

Accounting information is more useful if it facilitates comparison, as all decision-making, control and evaluations involves comparison. Information has little significance when used in isolation.

Accuracy

The accuracy of accounting information may invariably depend on the accuracy of data. Inaccurate accounting information when used for the day-to-day operations of a business may lead to liquidation or eventual bankruptcy of the business or organization.

Relationship Between Accounting Information and Decision Making

Information is needed in virtually every field of human thought and action. Besides, it is being essential to individuals who use it to achieve personal ends. Managers in organizations also need information. It implies therefore, that if management must succeed, it needs relevant up-to-date information about material and external environment of the business. This will enable management to modify its goals; its philosophies evaluate and reformulate its policies and strategies that are necessary for the survival and growth of the business. The relationship between available information and decision-making is basic to economic theories of decision making, knowledge about costs, prices and competitors is assumed in almost all traditional theory. It can be seen extensively that accounting concerns the management and connection of economic information.



According to Longley (1982) he said, “The capital purpose of accounting is to make possible the periodic matching of costs (efforts) and revenue (accomplishment) of raw materials, services (efforts) and the selling price of goods and services (accomplishment) are data used by accountants as possible candidate for input date”. Decision making and accounting information according to Calvin (1982) is “focus on different time and period except to the extent of the decision process employs accounting information”. An important question is when is accounting information relevant for decision making?

The importance of accounting information is that it makes allocation of resources where organizations are largely free to allocate the resources which they control between competing ends. Management make use of accounting information to see the consequence of particular course of action which they can setup plans to control the situation if things go wrong. Management is often seen to be the users of accounting reports. The information contained in account reports is used to assist management at all levels to form conclusion and reach economic decision.

The manager is charged with the responsibilities of correcting the past mistakes as forecasted outside influence that cannot control the business activities of an organization and establish realistic goals for those activities for which its responsible. The management accountant is one of the major providers of information for planning purpose through cost accounting and to do this effectively, it is essential that he understands the nature of planning, how plans are established, how to compare the self plan with performance, the distinction between long term planning and setting target and how planning relates control.

However, the essence of control is the comparison of performance against plan or target, the monitoring of progress and the comparison with target revealed variations from the original plan which can either be used to guide activities back forwards the original plan. Management accounting information help management in comparing the set plan with performance and identifying the variance analysis is the process of analysing the total difference between planned and actual performance and finally investigate the cause of the variance such as paying higher or lower price than planned.

Finally, it is essential that management is presented with details of the standard and actual cost of each product manufactured together with an analysis of the available. If full benefit is to be obtained from the standard costing system, prompt action by management is vital if adverse variances are to be investigated and possibly rectified.

Research Method and Design

Research design simply means on explanation of the method adopted in carrying out the research. Anikpo (1986) defines research design as a plan or structure of any aspect of the research procedure. For the purpose of this study, the researcher adopted the method of survey research design. Survey research design refers to a process of eliciting data or information from a large population through the use of questionnaire and interview.

Sources of Data

In the course of gathering data, two sources were consulted to obtain information. These are primary and secondary sources.

Primary Source

This provides first hand information from the authorities themselves. The questionnaires administered are obtaining the views of diverse participants, divided into (2) two sections, section A and B. Section A contains the bio-statistics while section B consist of the questions formulated to answer the research question.

Secondary Source:

This provides second-hand information which were collected by other authorities in the selected entity which



is relevant to the research work. These pieces of information include. Information gotten from the library, various textbooks, newspapers articles etc.

Research Instruments

The researcher used questionnaire for the purpose of obtaining the desired result. Multiple choice and semi structured questions where used used in the questionnaire. They were used to assist the respondents in expressing their views which in turn helped this study to obtain the needed information.

Reliability/Validity of Research Instrument

This is designed to measure the degree to which the research instrument produce consistent result or the consistency between independent measurements of the same research phenomenon. This is achieved through the Retest test method. Generally, this implies that despite variances in time, the some set of elements must yield fairly the same result. Therefore, the instrument is valid and reliable because its measurements are accurate.

Population of the Study

The population of the study covers the total management and staff of privately-owned commercial banks operating in north central Nigeria estimated at 1134 from the Central Bank bulletin. North central Nigeria often referred to as the middle belt is one of Nigerian's six geographical zone and is the most heterogenous in tribal groups and culture, therefore truly represents the diversity of Nigeria as a nation.

Sampling Technique and Sample Size

Due to the fact that there is no way the researcher would have reached the entire population, I have made use of simple Random Sampling Technique to obtain the samples for the study. Hence, I adopted Yaro Yamane formula to determine the sample size. Thus, the sample size was derived using the formula stated below;

$$n = \frac{N}{1+N(e)}$$

Where n = appropriate sample size

N = population size

e = co-efficient or confidence margin or error unit

e = 5% pr 0.05

thus the sample size is calculated as

$$n = \frac{134}{1+134(0.05)}$$

$$n = \frac{134}{1+134(0.05)}$$

$$n = \frac{134}{1+0.335}$$



$$n = \frac{134}{1.335}$$

$$n = 100.375$$

$$n = 100$$

Therefore, the sample size is (100) one hundred and researcher issued the same questionnaire to the staff of randomly selected banks within the north central Nigeria for responses in the study.

Administration of Research Instruments

Questionnaires were designed and administered to the respondents using stratified random sampling. The questionnaire was administered through email delivery to the selected respondents of each banks.

Method of Data Analysis

The data collected was organized using simple percentage method. This was done by comparing the total percentage with individual percentage of each reply results and presented in a tabular form. The ANOVA (Analysis of variance) statistical method was used in testing the hypotheses.

Test Statistic (ANOVA) F= Distribution

$$F = \frac{\text{TMS-TRSS}/(r-1)}{\text{ESM}/(N-r)}$$

Where: EMS = Error Means Square = TSS/ N-r

$$\text{TSS} = \text{Total Sum of Square} = \sum X^2 - \frac{\sum X^2}{N}$$

$$\text{TRSS} = \text{Error Sum of Square} = \text{TSS} - \text{TRSS}$$

$$\text{TRMS} = \text{Treatment of Mean Square} = \text{TRSS} / r-1$$

R = Number of rows of distribution

N = Number of sample Observation

DF = Degree of freedom = (r-1) (N-r)

Level of significance to test (X) = 5%

Data Analysis

The data analysis was based on the answers to the key questions received from the various banks. The demographics of the respondents in the questionnaire will be analyzed by the use of simple percentage.

Question 1

The sex of the respondents.



Table 1

Showing the responses of the respondents on their sex.

Table 4	Frequency	Percentage%
Male	58	58%
Female	42	442%
Total	100	100

Source: Field Survey 202

The table above shows that the majority of the staff are male at 58% while 42% of the staff are female.

Question two (2)

The age-range of the respondents

Table 2

Showing the frequency of the responses of the respondents regarding their age range.

Table 4	Frequency	Percentage%
21-30	30	30%
31-40	35	35%
41-50	20	20%
50 and above	15	15%
Total	100	100

Source: Field Survey (2026)

The table above shows that the percentage of staff within the age of 21-30 years are 30% within 31-40year are 35% within 41-50 years are 20% and the members of staff above the age of 50 are 15%, being the least amongst the staff. The majority of the staff are those within the range of 31 -40 years.

Question Three (3)

The marital status of the respondents.

Table 3

Showing the frequency of the responses of the respondents regarding their marital status

Marital Status	Frequency	Percentage%
Single	35	35%
Married	55	55%
Divorced	2	2%
Widowed	8	8%
Total	100	100

Source: Field Survey (2026)

The table above shows that the percentage of the staff that are single are 35%, married ones are 55%, the divorced staff are 2% and the 8% of the staff are widowed. This is to say that the majority of the staff are married



Question Four (4)

The length of service of each respondent

Table 4

Showing the frequency of the response of the respondents regarding their length of services.

Length of service	Frequency	Percentage%
Below 5 years	28	28%
5-10 years	30	30%
Above 10 years	20	42%0
Total	100	100

Source: Field Survey (2026)

The table shows that the percentage of staff that have served below 5 years is 28%, those that have served between 5-10 years are 30% and the percentage that have served above 10 years is 42% which is the majority of the staff

Question Five (5)

The qualification of each respondent

Table 5

Showing the frequency of the response of the responded regarding their qualifications.

Qualification	Frequency	Percentage%
Below "O" level	5	5%
SSCE	8	8%
OND/NCE	13	13%
HND/B.Sc	54	54%
MSc and others	20	20%
Total	100	100

Source: Field Survey (2026)

The table above shows that 5% of the staff qualification is below „O" level, 8% of the staff have SSCE as their qualification, 13% of the staff have OND/NCE equivalent, 54% of the staff have HND/BSc, and 20% of the staff have MSc and above. The majority of the staff have HND/Bsc.

Question six (6)

The department of the respondents

Table 6

Showing the frequency of the responses of the respondents regarding their departments.

Department	Frequency	Percentage%
Policy & management	15	15%



Assessment	22	22%
Collection	36	36%
Legal	8	8%
Treasury & Financial	19	19%
Total	100	100

The table shows that 15% of the staff are in policy and management department, 22% of are in Assessment department, 36% are in collection department, 8% are in legal department and 19% are in Treasury & Financial with the majority of the staff being in the collection department.

Question Seven (7)

Accounting Information used by Management

Table 7

Showing the responses for “Accounting information used by management in decision making in banks is verifiable”

Table 7 (A)

Respondents	SA	A	D	SD	UD	Total
Policy & management	7	8	-	-	-	15
Assessment	11	9	1	1	-	22
Collection	12	20	1	2	1	36
Legal	3	3	2	-	-	8
Treasury & Financial	7	10	-	1	1	19
Frequency	40	49	4	4	2	100

Source: Field Survey (2026)

Table 7 (B)

Respondents	Frequency	Percentage%
SA	40	40%
A	50	50%
D	9	4%
SD	4	4%
UD	2	2%
Total	100	100

Source: Extract Table 7 (A) Source: Field Survey (2026)

Table above shows that 40% of the respondents strongly agree, 50% of the respondents agree, 4% of the respondents disagree, 4% of the respondents strongly disagree and 2% are undecided, with the majority at 50% of who agree.

Table 8 (A) Showing the responses for “frequent changes in Accounting Information facilitate evasion”

Table 8 (A)

Respondents	SA	A	D	SD	UD	Total
Policy & management	8	4	1	2	-	15
Assessment	7	8	3	1	3	22
Collection	12	18	1	-	5	36
Legal	5	3	-	-	-	8
Treasury & Financial	7	8	2	1	1	19
Frequency	39	49	7	4	9	100

Source: Field Survey (2026)

Table 8 (B)

Respondents	Frequency	Percentage%
SA	39	39%
A	41	41%
D	7	7%
SD	4	4%
UD	9	9%
Total	100	100

Source: Extract Table.8 (A) Source: Field Survey (2026)

The table above shows that 4% of the respondents strongly, disagree, 7% of the respondents disagree, 9% of the respondent are undecided, 39% of the respondent strongly agree and 41% of the respondent, being the majority, agree.

Question Eleven (11)

Accounting Information is commonly applied in the formulation of credit policies of the Bank

Table 9 (A)

Showing the responses for “Accounting Information is commonly applied in the formulation of credit policies of the Bank”

Table 9 (A)

Respondents	SA	A	D	SD	UD	Total
Policy & management	5	7	1	1	1	15
Assessment	8	10	2	1	1	22
Collection	12	23	-	-	1	36
Legal	5	3	1	-	-	8
Treasury & Financial	9	2	1	1	-	19
Frequency	39	50	5	3	3	100

Source: Field Survey (2026)



Table 9 (B)

Respondents	Frequency	Percentage%
SA	39	39%
A	50	50%
D	5	5%
SD	3	3%
UD	3	3%
Total	100	100

Source: Extract table 9 (A) Field Survey 2026

The table above shows the majority agree at 50%, 39 of strongly agree, 5% of the staff disagree, 3% strongly disagree and 3% are undecided.

Question (12) Twelve

The application of Accounting information improves the efficiency in Decision Making

Table 10

Showing the responses for “the application of Accounting Information improves the efficiency in Decision Making”

Table 10 (A)

Respondents	SA	A	D	SD	UD	Total
Policy & management	6	8	1	-	-	15
Assessment	8	10	3	1	-	22
Collection	20	10	4	1	1	36
Legal	3	3	1	1	-	8
Treasury & Financial	8	7	2	1	1	19
Frequency	45	38	11	4	2	100

Source: Field Survey (2026)

Table 10 (B)

Respondents	Frequency	Percentage%
SA	45	45%
A	38	38%
D	11	11%
SD	4	4%
UD	2	2%
Total	100	100

Source: Extract table 4.1.12 (A) Field Survey 2026

The table above shows that 45% of the staff, being the majority strongly agree, 38% of them agree, 11% of them disagree, 4% of the respondents strongly disagree and 2% are undecided.



Question Thirteen (13)

Financial Information drives dividend policy decisions

Table 11

Showing the responses for “Financial information and dividend policy of the banks.

Table 11 (A)

Respondents	SA	A	D	SD	UD	Total
Policy & management	4	9	1	1	-	15
Assessment	9	12	-	-	1	22
Collection	18	10	5	2	1	36
Legal	5	2	-	1	-	8
Treasury & Financial	8	10	1	-	-	19
Frequency	44	43	7	4	2	100

Source: Field Survey (2026)

Table 11 (B)

Respondents	Frequency	Percentage%
SA	44	42%
A	43	43%
D	7	7%
SD	4	4%
UD	2	2%
Total	100	100

Source: Extract table 11 (A) Field Survey 2026

The table above shows that 44% of the staff strongly agree, being the majority, 43% of the respondents agree, 7% of them disagree, 4% of the staff strongly disagree and 2% are undecided.

Question fourteen 14

Information generated from Accounting System are of high quality

Table 12

Showing the responses for “Information generated from accounting Systems displays an element of completeness and this helps in decision making”

Respondents	SA	A	D	SD	UD	Total
Policy & management	8	6	1	-	-	15
Assessment	12	8	2	-	-	22
Collection	20	12	2	1	1	36
Legal	4	3	1	-	-	8
Treasury & Financial	7	9	2	1	-	19

Frequency	51	38	8	2	1	100
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Source: Field Survey (2026)

Table 12 (B)

Respondents	Frequency	Percentage%
SA	51	51%
A	38	38%
D	8	8%
SD	2	2%
UD	1	1%
Total	100	100

Source: Extract table 12 (A) Field Survey 2026

The above table shows that the majority which is 51% strongly agree, 38% of the respondents agree, 8% of them disagree, 2% of the respondents strongly disagree and 1% is undecided

Test of Hypothesis (Result and Analysis of the Estimated Model)

To test the null hypothesis that information and communication technology has no significant effect on the quality of financial reports, I gathered information from the staff of the Bank, the data was analyzed using a multi regression model, the result of the multiple regression analysis gave the estimated model as

$$Y = -11.639 + 0.397x_1 + 1.952x_2 + u_i$$

The result of the estimated model is as shown in the tables below:

summary of model

Model	R	R-square	Adjusted square	Std. error of estimate
1	0.967a	0.936	916	0.1572

a. Predictors: (constant),

b. Dependent variable:

Table 13 ANOVA

Model	Sum of square	df	Mean square	F	Sig.
Regression	2.488	2	1.244	50.352	.000a
Residual	0.173	7	0.025		
Total	2.661	9			

a. Predictors:

b. Dependent variable:

Table 14 Coefficient

Model	Unstandardized coefficients					95% confidence interval
	B	Std. err	Beta	T	sig	For B
Constant	-11.639	2.327		-5.001	0.002	-17.142



Financial report	0.397	0.159	0.306	2.491	0.042	0.02
ICT	1.952	0.322	0.747	6.072	0.001	1.192

The result above shows the positive relationship between dependent variable and all the independent except the constant which is alpha (α) – the slope of the regression line. A negative value of -11.639 was rather counter productive. It shows that any change in the independent variables would be affected by a high negative percentage or proportion of -116.39%.

The signs of b1 and b2 are positive. This is an indication of a positive relationship between managerial decisions and Information and Accounting.

The F-test associated with the analysis of variance table above is a test of the null hypothesis that $b_1=b_2$. On the way round, it is a test of whether there is a linear relationship between the dependent variable and the independent variables, the T-test of 5% level of significance led to the acceptance of the null hypothesis that ICT has no significant impact on the quality of financial report. The alternative hypothesis which says Accounting information has significant effect on managerial decision is therefore rejected.

FINDINGS

The section gives a summary of major findings aligned to the objectives. A conclusion on the relationship between the study variables was deduced in line with the objectives. Suggestions for recommendations and areas for further studies were then drawn.

SUMMARY

The study general objective was to study the evaluation of accounting information and its effects on decision making in organization, with focus on the banking sector in Nigeria.

The first objective was to study the effect of comparability of accounting information across banks. Results indicated that comparability was important in determining the quality of financial information. This was supported by majority of the respondents who agreed that financial statements of one accounting period are comparable to another and this helped users to derive meaningful conclusions. Respondents held that financial statements prepared by their managers were consistent with those of other institutions and this enabled the institution analyze its performance relative to other industrial players. Qualitative characteristics of financial statements were easily comparable to those of industry average and that users of financial information were able to compare financial reports generated in different periods. According to correlation results, there was a strong and positive association between the comparability and decision making and this was statistically significant. There is also existence of a positive relationship between comparability and decision making according to regression results.

The second objective was to assess the reliability of accounting information on decision making by Banks in Nigeria. Results indicated that reliability was important in determining decision making by management. This was supported by majority of the respondents who agreed that accounting information used by management in decision making is verifiable, and faithfully represented as key in the decision-making process. Reliability in accounting information had predictive value which aided in decision making and that financial information could be depended on when making decisions and that information generated from accounting systems displayed an element of completeness and this helped in decision making. According to correlation results, there was a strong, positive and statistically significant association between reliability of financial information and decision making.

The third objective was to evaluation of accounting information and its effects on decision making in organization in Banks. Results indicated that relevance was important in determining decision. This was supported by majority of the respondents who agreed that accounting information was timely and this



timeliness was important especially when making critical decisions in the Banks. There was feedback value associated with accounting information hence enabling managers to act on feedback in relation to decision making. Correlation results indicate that the association between relevance and decision making was strong and positive and was statistically significant. Regression results also show that there is a positive relationship between relevance and decision making in Nigerian banks.

CONCLUSION AND RECOMMENDATION

From the findings, one can conclude that accounting information comparability as a characteristic depended on whether financial statements of one accounting period are comparable to another, were consistent and easy for users to choose between alternatives causes of actions. Furthermore, financial accounting information prepared by Nigerian Banks had adequate comparability characteristics and this comparability was a key determinant of decision making by the banks.

Finally, accounting information were prepared timely and there was feedback value associated with financial accounting information. The information was clear and highly understandable, dependent and consistent in its disclosures.

Recommendations

From the findings, the study recommends that management puts in place measures to improve both quantitative and qualitative characteristics of financial statements so that they are easily comparable to those of industry average. The management should also put in measures to enhance reliability in accounting information so as to improve predictive value which aids in decision making in the future. The management should strive to ensure that information generated from accounting systems displays an element of completeness so that this helps in decision making in the organizations.

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