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A POSTMODERN CRITIQUE OF MANAGEMENT ACCOUNTING PRACTICES IN NIGERIA: BEYOND OBJECTIVITY AND RATIONALITY.

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Abstract

This study focused on the postmodern critique of management accounting practices in Nigeria and challenges the traditional notions of objectivity and rationality in accounting practices. The study examines the influence of environmental factors, such as socio-cultural, political, and institutional factors, on management accounting practices in Nigeria using a qualitative research approach. The findings indicate that management accounting practices in Nigeria are shaped by several factors, which include informal practices, power dynamics, and local norms. The study highlights the need for a deeper understanding of management accounting practices that consider the environmental and local context, as well as the subjective experiences of stakeholders.

Keywords: Management Accounting, Objectivity, Postmodernism, Rationality, Nigeria

1.0 Introduction

Management accounting, over the years, has been traditionally seen or identified as a tool for objective decision-making and organizational control over resources. However, the perspective of the postmodern school of thought challenged this notion. The argument is that the basis for accounting practices is more often socially inclined and will usually be shaped by power, cultural contexts, and subjective interpretations (Hopper & Powell, 1985; Chua, 1986). In Nigeria, it is a known fact that the business environment is influenced by socio-economic and cultural complexities and institutional diversity. A postmodern critique offers a fresh perspective on how management accounting functions beyond its technicalities. It highlights the evolving role of the management accountants in Nigeria, indicative of a paradigm shift from traditional roles to more strategic and interpretive functions that reflect local realities and organizational politics (Odia, 2019). Similarly, Obamoyegun et al. (2021) also argued that management accounting as practiced in Nigerian firms often faces lots of limitations due to contextual factors and therefore calls for more theoretical studies that incorporate indigenous perspectives and critical frameworks on the practice.

Management accounting in Nigeria is seen to have been modelled after Western frameworks, with an emphasis on efficiency, quantity, and objectivity. However, these models are seen to overlook the realities that the Nigerian business organization faces, which include informal practices, political influences, and cultural norms. The postmodern criticism of the narratives provides a basis for a second look at the underlying assumptions of the system of management accounting practices in Nigeria. This study, therefore,

explores how the Nigerian firms navigate between formal accounting structures as inherited and the experiences of stakeholders.

1.1 Objectives of the Study

The main objective of this paper is to do a critical review of management accounting practices in Nigeria, with the sub-objectives to include:

(i) The evaluation of the assumptions of objectivity and rationality in Nigerian management accounting practices.
(ii) To explore how cultural, political, and organizational contexts influence accounting decisions and reporting.
(iii) To assess the extent to which postmodern theory can explain deviations from conventional accounting norms in Nigeria.
(iv) To identify alternative approaches to management accounting that reflect local realities and stakeholder perspectives.

2.0 Conceptual Review:

Traditional View of Management Accounting

Management accounting has been regarded as a rational and objective tool for organizational control, resource allocation, and performance measurement with emphasis on cost efficiency, budgeting, and financial planning, which must be based on quantifiable data (Nixon & Burns, 2012). This perspective aligns with classical economic theory, which assumes that managers make decisions based on neutral and value-free information. This position has been increasingly criticized for having a narrow focus on technical rationality, especially in complex and culturally diverse environments like Nigeria.

Criticisms of Traditional Management Accounting

(i) Loss of Relevance in Dynamic Environments

The traditional management accounting techniques have been criticized as not being timely in practice to provide the required relevant information needed in a fast-paced business environment. Johnson & Kaplan (1987) had argued that the traditional management accounting practices as known can no longer adequately support strategic decision-making in modern organizations and therefore suggested that they have lost their relevance. Another strong criticism also came from Alsharari & Lasyoud (2019), who have insisted that it has lost its relevance as it appears no longer suitable to provide relevant information to managers within a complex business environment because the traditional systems are often too rigid and slow to adapt to organizational change and complexity.

This study does not agree with this position as these fundamental techniques are still being practically applied in practice and still provide good guidance for decision-making, though rigid and slow; the slowness can be attributed to the knowledge gap of the practitioners in the organizations.

ii. Over-reliance on Financial Metrics

Critics have also argued that the traditional systems are excessively focused on financial outcomes while neglecting the non-financial indicators such as customer satisfaction, innovation, and employee engagement.

Nixon & Burns (2012) brought to the fore the deficiency in traditional accounting systems that do not capture the strategic dimensions of performance, thereby raising doubts on their usefulness in a competitive business environment.

This study agrees with the criticism of Nixon & Burns to a considerable extent. This is because most parameters that define success may not be numeric and therefore difficult to be subjected to the traditional management accounting techniques.

iii. The Neglect of Environmental influences

Traditional management accounting is seen to assume objectivity and neutrality, whereas postmodern scholars have argued that accounting leans more to its social environment and is influenced by the politics and culture of an organization.

Chua, (1986) suggested that accounting is not only technical but is also shaped by subjective interpretations and institutional contexts. While Hopper et al. (2009) in their critique were emphatic that in developing countries, accounting practices often reflect hybrid systems that combine formal rules with informal norms.

The Nigerian business environment is shaped by our cultural and institutional diversity. These diversities can be seen in our informal sectors of the economy, unstable regulations, and policies somersaults, while also not forgetting the visible overlap in the public and private sectors. These factors do affect how accounting information is produced, interpreted, and used. Aaccounting practices in Nigeria are deeply embedded in socio-political structures and more often serve purposes beyond financial control. (Uche, 2002).

Odia (2019) argued that the 'Nigerian management accountants are increasingly adopting strategic roles that require interpretive judgment, stakeholder engagement, and contextual awareness'. This postulation is in alignment with the postmodern school of thought.

This paper agrees with this position. Our environment and culture will always have a subjective influence on how we do things and, therefore, have a major influence on the outcomes.

iv. Resistance to Innovation

Traditional management accounting systems are often seen as being resistant to adopting contemporary tools such as activity-based costing (ABC), balanced scorecards, and strategic performance management.

Uche (2002) observed that the Nigerian professional accounting development is constrained by legacy practices and institutional resistance to change.

This paper agrees that traditionalism is always stiff and difficult to change, thereby becoming an impediment to innovation. As the business environment changes, the techniques must be changed if they are to remain relevant.

Postmodern Critique of Objectivity and Rationality

'Postmodernism challenges the foundational assumptions of traditional accounting' with the argument that accounting practices are not just technical but are equally socially constructed and context-dependent (Chua, A. 1986). He stated that the concept emphasizes

pluralism, subjectivity, and the influence of power relations in the shaping of accounting systems.

Management accounting practices in Nigeria are often influenced by informal practices, political dynamics, and cultural norms that do not conform to the standard Western models. Hopper et al. (2009) noted that accounting practices in developing countries are mostly hybrid systems that combine formal structures with specific local adaptations.

Implications of Postmodernism for Practice and Theory

The postmodern postulations indicate that the practice of management accounting in Nigeria, based on traditional frameworks alone, poses a lot of challenges for understanding and practicability. There are strong indications that the focus needs to be pointed beyond the conventional realm to other nuanced approaches if realistic results are envisaged. Nuances such as:

(i) The role of accounting information in communication.

(ii) The influence of organizational and environmental culture on accounting practices.

(iii) The derivation of meanings/ Interpretations of the thoughts of the stakeholders

These implications for the practice of management accounting point to the need for models that integrate critical accounting theory, institutional theory, and interpretive approaches that will better capture the realities of Nigerian firms.

2.1 Theoretical Review

Here, we examined relevant theories on objectivity and rationality as they apply to the practice of management accounting.

Rational Decision-Making Theory-by Classical Economics & Decision Sciences (1940s-1050s)

This theory assumes that managers will make rational, logical, and utility-maximizing decisions using complete information. This goes to say that for the decisions of the managers to be logical and beneficial to the organization and stakeholders, they must be based on complete information, which may not be financial information.

Bounded Rationality-Herbert A. Simon (1957)

This theory states that decision-making is limited by cognitive constraints, time, and imperfect information. This is deduced by this study to mean that for a decision to be top-notch, it must be timeously made and made based on accurate information being provided; otherwise, it leads to a sub-optimal decision. This is a sound theory.

Formal Rationality Theory-Max Weber (1922)

This theory believes that decision-making is based on quantitative rules and procedures mostly embedded in laws, regulations, and standards, with emphasis on efficiency, predictability, and control, which also must have universal applicability.

This study sees this theory as being emphatic on the use of the traditional systems without a view of the socio-cultural environment. This may explain why the Nigerian firms may adopt a formal system informally, because our socio-cultural and political environment has a major influence on our decision-making. The theory is limited because it insists on universal objectivity, rationality, and applications in a diverse business environment.

Contingency Theory-Joan Woodward et al. (1960s)

This theory stipulates that accounting systems should align with the environmental and organizational context. This is in line with the post-modern postulations. Practices should not only reflect the quantifiable but also the dictates of the business and socio-political environment.

Institutional Theory-John Meyer & Brian Rowan (1977)
This theory believes that organizational practices are shaped by institutional norms and societal expectations. The stand of this theory is germane to the position of postmodernism and is supported by this study. Therefore, practices can not only be dependent on traditional accounting practices.

The underpinning theories for this study are the contingency theory by Joan Woodward et al (1960s) and the institutional theory by John Meyer & Brian Rowan (1977). These theories are particularly aligned with this study because they incorporate organizational and societal culture, norms, and expectations as well as environmental considerations in decision-making processes.

2.2 Empirical Review
Postmodernism challenges the foundational assumptions of management accounting. Empirical studies have shown that cultural, institutional, and political dynamics make traditional accounting models appear complicated when applied to the Nigerian context. This section attempts to do an empirical review of literature that speaks to the study at hand.

Hopper & Powell (1985) focused on the social and organizational assumptions behind management accounting research. They argued that accounting practices are not purely technical but are also socially constructed. The Nigerian businesses today seem to operate in informal or semi-formal environments where accounting decisions are majorly shaped by power dynamics and local norms. Chua (1986) cited in Essam Al Arbed (2025) introduced radical and interpretive paradigms in accounting thought. His study emphasized that 'Accounting is a language embedded in social and political contexts, not a neutral tool.' The study supports the criticisms of objectivity in the Nigerian accounting system, where decisions are influenced by institutional pressures.

Johnson & Kaplan (1987) concluded that management accounting has lost its relevance due to its rigid, rationalist focus. They advocated for more adaptive, decision-relevant systems. This aligns with the school of thought that Nigerian firms still rely heavily on antiquated systems, thus reinforcing the critique. Uche CU (2002) cited by Michel Sayumwe & Christelle-Odil focused on the professional development of accounting in Nigeria. In his findings, the Nigerian accounting practice is shaped by professional rivalry, regulatory fragmentation, and colonial legacies, with objectivity being undermined by

political and institutional interests. Whereas in postmodernism, accounting is a contested space, not a neutral profession.'

Hopper et al. (2009) focused on the practice of management accounting in less developed countries. The findings included that accounting systems in less developed countries are shaped or influenced by informal sectors of their economy, legacy practices from the colonial authorities, and the dictates of donor/ financing agencies. They observed that the practice of objectivity and rationality is non-existent. Their finding brought to the fore the inconsistencies of imported accounting models with existing local realities. Nixon & Burns (2012) cited by Oboh, C.S. & Ajibolade, S.O. (2017) focused on the strategic role of management accounting. Their findings were that accounting supports strategic decision-making but is influenced by organizational politics. They also concluded that rationality is often a façade for managerial control. In their opinion, the strategic tools of management accounting are adopted in practice, but the interpretations are done through local lenses. Alsharari & Lasyoud (2019)examined the use of traditional management accounting tools in contemporary settings. Their findings included that traditional tools of management accounting persist due to institutional inertia and that objectivity is often symbolic, but not functional. These findings re-echo findings from many Nigerian studies on resistance to change. Odia (2019) applied survey design methodology. His survey population was 62 Nigerian management accountants with the aim of assessing the impact of changes in role. The findings indicated a shift from traditional accounting roles to strategic partnerships with emphasis on budgeting and control. He identified technology, globalization, and competition as the major agents of change. The implication of this on Postmodernism is that the traditional expectations of rationality and objectivity still dominate the business environment despite the evolution of accounting practices, which stands as a major limitation to innovation.

Obamoyegun et al. (2021) undertook a theoretical review of the limitations to decision-making processes of management accounting in Nigeria. Their findings included that management accounting is subjective and context-dependent for decision-making. They noted the compromise of objectivity, which is a function of the quality of data and the failure of traditional/ rational models in the Nigerian business environment, which is dynamic. Their findings reinforce the critique that accounting is not universally rational or objective. Nuatip & Ruankwan (2020)

Their study investigated the relationships between strategic management accounting (SMA) information usage, environmental uncertainty (EU), and nationality of director (ND) using contingency theory. Cadez and Guilding's (2008) provided a framework with sixteen strategic management accounting techniques which were classified into five categories which are 'costing, planning, control and performance measurement, strategic decision-making, competitor accounting, and customer accounting.' Questionnaires were employed for data collection using purposive sampling. Their findings were that managers now apply SMA information to calculate product and service costs, to plan control and performance measurement, to evaluate the performance of competitors, and to assess customer profitability under environmental uncertainty. Their finding also included that chief executive's ion Thai do not use SMA information for strategic decision-making and market competition compared to the non-Thai ones. This means that Thai CEOs are

gradually ignoring the strict use of traditional management accounting information and techniques.

3.0 Methodology

This section covers the methodological framework adopted for the study. It details the research design, data collection methods, sampling techniques, and analytical procedures used to evaluate the topic at hand.

Research Design:

The study employs a qualitative design using postmodern epistemology as well as a critical discussion analysis approach. This design is believed to be appropriate for use in interrogating the assumptions, ideologies, and discourses embedded in management accounting practices.

The design is expected to dissect the dominant practices in Nigerian accounting and identify alternatives backed by socio-cultural, environmental, and institutional contexts. This approach is expected to combine theoretical critique with empirical insights from industry practitioners and scholars.

Population and Sampling

The population includes professional accountants in Nigerian private sector organizations, accounting academics, and researchers.

Sampling Technique

The purposive sampling technique was adopted. Sixty respondents were used who must have professional certifications in accounting.

Data Collection Methods

Survey Method: A structured interview guide was used to interact with respondents to gather data on perceptions of objectivity and rationality in management accounting practices. Areas covered included the use of rational tools, the perceived objectivity in decision-making, and how socio-cultural, political, and informal practices influence decision-making in the Nigerian context.

Secondary Data: This was also obtained from relevant literature, journal articles, and policy documents, which were reviewed to support the critical analysis.

Data Analysis Techniques

Qualitative Analysis was used in analyzing responses from interviewees using thematic analysis. This was useful in identifying recurring patterns and contradictions in areas such as objectivity in practice, institutional influence, and resistance to change. The interpretations were guided by Postmodern theory.

4.0 Research Results

A total of sixty chartered accountants in Nigeria were interviewed to gather their views on objectivity and rationality in management accounting practices. The results are presented below:

Table 1: Data from field study

Summary of Interview Results			Respondent Groups (n = 60)	
Code	**Rational Tools a Must**	**Perceived Objectivity**	**Socio-Cultural/Political/Informal influence**	**Balanced Perspective**
Agree	30	30	30	40
Disagree	25	30	28	20
Neutral	5	0	2	0
Total	60	60	60	60
Agree	50%	50%	50%	67%
Disagree	42%	50%	47%	33%
Neutral	8%	0%	3%	0%

Source: Author's Compilation (2025)

Fifty percent of respondents believe that rational tools, as used in management accounting, are essential for objective decision-making, as they reduce our biases, while 42% disagreed.

The result also shows that objectivity should not be cast in stone but should reflect purpose, even as subjectivity can be introduced, as evidenced by the even percentage agreed and disagreed.

Fifty percent of the respondents agreed that outside the rational tools, socio-cultural, political influences, informal economy, etc., have an enormous influence on the practice of management accounting. Factors such as ethnicity and family ties often influence decision-making. This gives credence to a moderate level of subjectivity.

Sixty-seven percent of respondents agree that there should be a blended approach to management accounting that incorporates the traditional practices and environmental influences to dictate the line of decisions to be taken. It is believed that every business should influence and affect its environment positively.

4.1 Policy Implications of Findings

Policy development: there should be policies developed or modifications to existing ones based on the results of this study to provide documentary directions. Businesses alike should have strong policies that capture the expectations and directions of the organizations.

Regulatory changes: There should be updates to existing statutes, standards, and practice guidelines. As the business environment is dynamic, so must the regulations be for development.

Public health and safety: The policies and regulations should facilitate good interventions that improve societal well-being through environmental protection. The current ESG standards (S1 & S2) are a step in the right direction.

5.0 Conclusions

This study provides an examination of management accounting practices in Nigeria through a postmodern lens while challenging the traditional notions we have had of objectivity and rationality. The findings suggest that management accounting practices in Nigeria are shaped by several factors, including socio-cultural, political, and institutional influences. The study, therefore, brings to the fore the need for a deep understanding of management accounting practices that includes the subjective experiences and expectations of stakeholders.

The findings of the study suggest that a mixed approach that marries traditional accounting practices and environmental influences is more desirable. Policies and regulations need to be developed as the business environment evolves.

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