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Strategic Management Accounting Practices and Shareholders Value Creation of Listed Deposit Money Banks in Nigeria

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ABSTRACT

Shareholders are primarily focused on maximizing the returns on their investments, which include both cash dividends and capital gains. Value maximization is a critical objective in any organization, typically achieved through strategic decisions made by the management. Return on investment represents the portion of a company's earnings distributed to its owners. To maximize these returns, organizations must enhance their performance, which can be achieved through strategic management accounting practices. These practices are crucial for achieving wealth and value maximization. This paper explores the impact of strategic management accounting practices on the creation of shareholder value. Primary data obtained through the administration of structured questionnaire were used for the analysis. Both the descriptive statistics and multiple linear regression were utilized for the analysis. The findings revealed that measures of strategic management accounting practices, such as strategic costing, strategic planning, management and performance measurement, strategic decision-making, competitor accounting, customer accounting, and strategic thinking, positively influence shareholder value creation. However, it was found that competitor accounting was the only practice with a significant impact. It is recommended that management of the banks adopt strategic practices that provide a competitive edge, ultimately enhancing shareholder value creation.

Keywords: Shareholders, Strategic Costing, Strategic Planning, Competitor Accounting, Customer Accounting, Strategic Thinking
JEL Classifications: G21, L10, L21, M00

1. INTRODUCTION

Value creation has long been a cornerstone concept in both financial and management literature and remains a vital performance measure for organizations across various industries (Sheveleva, 2018). The primary objective of any organization is to generate value for its investors (Knight, 2002) and maximize shareholder value (Sacui and Dumitru, 2014) through a range of operational, financial, and investment policies (Burcă and Cilan, 2016). These actions are aligned with the perspective of shareholder value maximization.

To achieve this, organizations must consistently act in the best interests of their investors. Creating value for shareholders necessitates adherence to several best practices. Notably, a company must avoid engaging in the "earnings expectations game" (Rui et al., 2023) or any form of earnings manipulation. Such behavior can significantly impair a company's ability to make sound strategic and operational decisions. Maximizing expected value often requires strategic decisions that may result in short-term losses or slower earnings growth (Adetayo and Eunice, 2020). To succeed, an organization must pursue acquisitions that enhance its overall value, which in turn relies on assets that contribute positively to the company's profitability.

The market value of a corporation is closely tied to shareholder satisfaction. Ensuring shareholder value is crucial for the health of capital markets and provides a legitimate basis for evaluating management effectiveness (Mira et al., 2023). Additionally, shareholder value plays a critical role in fostering an environment of trust, which is essential for retaining loyal investors and encouraging further capital investment (Sumit, 2023). Strategic decisions made by a company's board of directors and senior management such as making wise investments and generating a high return on invested capital directly impact the firm's value to its shareholders (Riika and Kujala, 2017).

Strategic management accounting involves gathering, analyzing, and interpreting accounting information to assess the effectiveness of leadership teams and inform managerial and operational decisions (Ogundajo & Nyikyaa, 2021). The term "Strategic Management Accounting" was popularized by Simmonds (1981), who defined it as the provision and analysis of information about a business and its competitors for use in shaping and sustaining the strategic direction of the organization.

Recent developments in the financial markets such as deregulation, securitization, internationalization, credit expansion, financial instability, and the increasing importance of financial services in both developed and emerging economies have significantly impacted value creation for stakeholders, particularly shareholders, especially in Nigeria. Shareholders increasingly demand higher returns on their investments, seeking more value for the resources they commit. Poor performance in the banking sector can lead to failure, resulting in financial crises that negatively affect economic development. Losses within a company are a clear indicator of its inability to distribute dividends, causing investors to lose money and lowering the firm's market value, which may drive shareholders to seek returns elsewhere (Imo, 2022).

The foundation of strategic management accounting underscores the importance of accounting practices that support management decision-making by focusing not only on internal factors but also on external elements related to the organization's operations. In other words, accounting should adopt a broader, market-oriented approach, emphasizing aspects such as costing (Cadez and Guilding, 2008; Cinquini and Tennuci, 2010; Ojra, 2014; Shank and Govindarajan, 1992); planning, control, and performance measurement (Cinquini and Tennuci, 2010; Ojra, 2014); strategic decision-making (Cadez and Guilding, 2008; Ojra, 2014); customer accounting (Ojra, 2014; Ojra et al., 2021; Turner et al., 2017); and competitor accounting (Cinquini and Tennuci, 2010; Ojra, 2014; Turner et al., 2017).

The creation of shareholder value occurs when a company's management effectively utilizes the equity capital provided by shareholders to make strategic and financial decisions that enhance shareholder wealth. This represents the return on investment for shareholders, driven by management's ability to increase revenue and profits, leading to higher dividends and stock price appreciation. Such value is crucial for the smooth operation of a company and its ability to attract investors. Barinua and Deinma (2022) note that the political and economic environment in which a business operates can significantly influence its capacity to generate shareholder value. For example, an increase in taxes may reduce the funds available for productive activities, such as capital expenditures and shareholder returns (Davis, 2022).

The strategic decisions made by a company's board of directors and senior management, particularly in terms of sound investments and delivering a healthy return on invested capital, directly affect the firm's value to its shareholders (Helen et al., 2023). Shareholders benefit from increased cash dividends and a higher share price when this value is cultivated, especially over the long term. Mergers, in particular, are often associated with a substantial increase in shareholder value. However, the creation of shareholder wealth does not always translate into value for the company's employees or customers, making shareholder value a potentially contentious issue within businesses (Nduati and Wanyoike, 2022). One of the primary objectives of any company should be to enhance the value it delivers to its owners. The competence of management in making sound decisions and the effectiveness of those decisions in driving sales and capitalizing on profits are crucial for increasing shareholder value (Rahi et al., 2022). Shareholder value is ultimately measured by a positive return on investment, which is achieved by creating value for both employees and customers. When a company fulfills its mission, shareholders can deem it successful. Their success is reflected in the impact they have on people's lives and the extent of that impact. Human value and transformation generate economic value and profit (Rui et al., 2023).

Shareholders gain from higher dividends and an appreciating share price when value is developed, particularly in the long term. Shareholder value often increases significantly after a merger. However, since wealth generation for shareholders does not automatically or equitably translate into value for the company's employees or customers, it can become a divisive issue within organizations (Mariana, 2022). This paper examines the effect of strategic management accounting practices on the creation of shareholder value in listed deposit money banks in Nigeria.

2. REVIEW OF EXTANT LITERATURE

2.1. Conceptual Review

2.1.1. Shareholders' value

Ceren et al. (2022) define shareholders' value as the benefits provided to stockholders in the form of dividends and stock price appreciation, resulting from improved management decisions that enhance a company's revenue and earnings. As a company's earnings grow, the dividends paid to stockholders increase proportionally, benefiting current shareholders (Ebrahim and Rezaei, 2022). The concept of shareholders' value refers to the policy of a publicly traded company to increase its dividend payouts by growing its earnings, cash flow, and sales (Rui and Alves, 2022).

2.1.2. Strategic management accounting practices

Management accounting involves the generation, communication, and use of financial and non-financial information for management decision-making and activities (Groot and Selto, p. 3). A major criticism of accounting in the 1980s was the limited role that accountants played in the strategic management process (Cadez and Guilding, 2012). Nixon and Burns (2012) define strategic management as a process involving the development of grand strategy, objectives, and direction; the formulation of goals and plans to achieve these objectives; implementation of the plan; and monitoring, evaluation, and corrective action. Management accounting's role is to facilitate effective decision-making, which includes the collection and analysis of information, identification of options, implementation, monitoring, and evaluation (CIMA, 2005). Therefore, strategic management accounting, as conceptualized by Roslender (1995/1996), incorporates the focus of strategic management into accounting practices to effectively enhance organizational performance through informed managerial decisions. Bromwich (1990, p. 7, 28) describes strategic management accounting as the provision and analysis of financial information about an organization's product markets and competitors, costs and cost structures, and the organization itself, highlighting the importance of monitoring both the organization's and competitors' strategies over time (cited in Noordin et al., 2015, p. 14). In this paper, strategic management accounting practices are measured through strategic costing; strategic planning, management and performance measurement; strategic decision-making; competitor accounting; customer accounting; and strategic thinking.

2.2. Underpinning Theory

Shareholder theory, as popularized by Jensen and Meckling (1976), presents a significant perspective on the role of business in society, advocating that the primary responsibility of managers is to serve the interests of shareholders by using the corporation's resources to increase shareholder wealth through profit-seeking activities (Castelo, 2013). Under shareholder value theory, the corporation is viewed as a collective of shareholders, with the board's duty being to the shareholders. This theory assumes a single, common, and uniform measure of shareholder value, typically reflected in dividends and share price increases, with the assumption that shareholders are primarily interested in financial returns (Sullivan et al., 2016). Achieving maximum returns for shareholders requires a well-performing firm, which in turn necessitates effective management of the organization's overall processes and operations. This is where strategic management accounting practices play a critical role.

2.2.1. Empirical review

Oboh and Ajibolade (2017) explored how strategic management accounting influences decision-making within the Nigerian banking industry. Their research specifically examined the influence of SMA techniques on the choices made by financial institutions. A sample of twenty banks, involving seventy-one bank managers, was surveyed using Chi-square, simple linear regression, and Pearson correlation to analyze the data. Their findings indicated that most Nigerian banks have adopted the core principles of strategic management accounting, and these techniques positively and significantly impact decision-making and market share.

Ojua (2016) investigated the role of SMA techniques in enhancing the performance of selected businesses in Ghana. The study involved 200 industrial company managers, with SMA practices assessed through systems such as costing, budgeting, performance evaluation, and strategic management. The data, analyzed using multiple regression, revealed that SMA techniques are widely utilized in the industrial sector and significantly impact company success, with a positive correlation found between SMA metrics and the financial health of Ghana's manufacturing sector.

Rashid et al. (2021) conducted a literature review assessing the impact of SMA on business performance, drawing from empirical studies across both developed and developing countries. They identified competition accounting, benchmarking, strategic pricing, and customer accounting as prevalent SMA techniques across different economies. While not all companies fully implemented SMA strategies, the research concluded that businesses generally view SMA positively due to its favorable impact on financial outcomes.

Hladika and Becir (2022) examined the application of SMA techniques in Croatian businesses and their effect on decision-making processes. A web-based survey involving 1100 businesses revealed that although only a minority employed SMA techniques, those that did reported substantial improvements in decision quality and cooperation between top management and accountants. The quality of SMA data was found to be critical in selecting appropriate techniques for implementation in Croatian factories.

Oyewo et al. (2021) focused on the environmental factors influencing the effectiveness of SMA in Nigerian manufacturing firms. The study identified six key external factors, including corporate strategy, organizational structure, market orientation, IT quality, environmental uncertainty, and industry competition. Data from Nigerian manufacturing firms were analyzed using moderated regression and structural equation modeling. The findings highlighted the importance of market orientation and strategic planning, although structural management accounting was not widely implemented despite its strong moderating effect. Ogundajo and Nyikyaa (2021) explored the relationship between SMA and the performance of publicly listed Nigerian manufacturing firms. The study, involving 499 participants from 20 companies, found that all SMA indicators positively and significantly impact market share, although performance evaluation had a smaller effect compared to budgeting and total quality management.

Azizimelu et al. (2022) utilized Data Envelopment Analysis (DEA) to assess the efficiency of management accounting systems within firms listed on the Tehran stock market. Their research, which involved 86 companies, underscored the importance of dynamic accounting systems capable of constant evaluation and adaptation, although financial institutions were not the focus. AL Madhoun (2020) studied the impact of contemporary SMA practices on the performance of selected Palestinian commercial banks. Regression analysis and Pearson correlation were used to analyze the data. The results showed a significant correlation between SMA implementation and bank performance, with strategic management accounting being a key factor in enhancing productivity.

Phornlaphatrachakorn (2017) explored the influence of transformational leadership, organizational learning, and technological innovation on SMA in Thai financial institutions. The study, involving 141 banks, used hierarchical multiple regression to analyze the data. It found a robust and positive relationship between SMA practices and business success, driven by leadership, technology, and learning. Vu et al. (2022) examined the factors influencing SMA implementation in Vietnamese logistics enterprises. Data from 188 accountants and directors were analyzed using multiple regression and Pearson correlation. The study found a positive correlation between SMA practices and logistics company metrics, with SMA being widely supported within the industry.

Alamri (2019) assessed the impact of SMA on organizational effectiveness within companies listed on the Saudi stock exchange. The study, which involved 435 accounting managers, used hierarchical regression to analyze the data. The results indicated that SMA significantly influences company performance, particularly in enhancing firm efficiency. Mirbagheri-Roodbari and Kordestani, (2020) conducted similar research in Iran, finding that SMA techniques are significantly associated with business success. In another study, Mashingaidze et al. (2021) investigated the best SMA practices used by small and medium enterprises (SMEs) in Zimbabwe to achieve their goals. Using a stratified random sample of 368 participants from various industries, the study concluded that strategic formulation significantly improves the financial performance of SMEs.

Petera and Soljakora (2020) investigated the application of SMA in Czech businesses, using contingency theory and regression analysis on data from 90 subjects. The study concluded that SMA techniques positively and significantly impact firm performance. Altarawneh et al. (2021) studied the impact of SMA techniques on gaining a competitive edge in Jordan's public industries. The research, which involved 75 financial managers, found that widespread implementation of SMA practices significantly influences the success of company-wide initiatives and provides a competitive advantage. Caturida and Apollo (2019) evaluated the impact of SMA on supply chain outcomes and profits within Malaysian companies. Their study highlighted the role of technology, government policy, and data in enhancing the effectiveness of SMA, leading to improved logistics outcomes and profitability.

Agwu (2018) analyzed the effect of strategic management on the performance of SMEs in Nigeria. The study involved 120 business owners from Lagos State, with the results indicating that competitive advantage and business strategies significantly benefit market share and consumer base, though organizational structure played a lesser role. Thapayom (2022) studied the impact of SMA on the financial health of businesses in a Thai industrial estate. The study, based on data from 112 small businesses, concluded that SMA techniques positively influence financial performance. Msomi et al. (2019) examined the internal and external environmental factors affecting SMA adoption among manufacturing SMEs in Durban, South Africa. The study identified firm age, size, government support, technology, and training needs as crucial factors influencing SMA adoption.

In a study of Zimbabwean SMEs, Mashingaidze et al. (2021) explored the link between strategic planning and profitability. Using stratified random sampling, the study found a significant positive relationship between strategy development and profitability, with strategic planning being crucial for both short- and long-term financial success. Sirajuddin et al. (2017) studied the impact of SMA on the productivity of SMEs in Madagascar. The research found that strategic planning, evaluation, and execution had significant positive impacts on sales volume, while the breakeven point was less significant.

2.3. Identified Gaps and Hypothesis Development

The studies reviewed indicate mixed and inconclusive results regarding the impact of SMA practices on shareholders' value and returns across different countries and sectors. A major gap identified in previous research includes the scope and construct gaps. For instance, studies such as Ojua (2016), Oboh and Ajibolade (2017), and Sirajudin et al. (2017) have a limited scope in terms of the number of respondents assessed, while others (Mashingaidze et al., 2021; Ogundajo and Nyikyaa, 2021; Petera and Soljakora, 2020) focused on sectors outside banking. Additionally, there are variations in the measurements of SMA practices across studies (Alabdullah, 2022; Altarawneh et al., 2021; Caturida and Apollo, 2019). This study measures SMA practices using strategic costing, strategic planning, control and performance measurement, strategic decision-making, competitor accounting, customer accounting, and strategic thinking in the context of shareholders' value creation in deposit money banks, which is relatively rare. Therefore, this leads to the development of the hypothesis that:

$H_0$1: Strategic management accounting practices have an insignificant effect on shareholders' value creation of listed deposit money banks in Nigeria.

The diagrammatic expression of the formulated hypothesis in a conceptual model is presented in Figure 1.

3. METHODOLOGY

This study employed a survey research design, utilizing a structured and validated questionnaire distributed via Google Forms to collect data from respondents. The study population included all 1,115-management staff of the 13 listed deposit money banks on the Nigerian Exchange Limited as of December 31st, 2022. The target group consisted of senior management, from Assistant General Managers to General Managers. The geographical location was selected based on the accessibility of the respondents, with the target population chosen because the study focuses on strategic management accounting practices, which are pertinent to strategic-level decisions made by top managers.

The Taro Yamane formula was used to determine a sample size of 294 for this study. To ensure a representative sample, simple random sampling method was employed.

3.1. Validity and Reliability of Research Instruments

The structured questionnaire was tested for validity using Bartlett's Test of Sphericity, with the results presented in Table 1.

Figure 1: Conceptual model

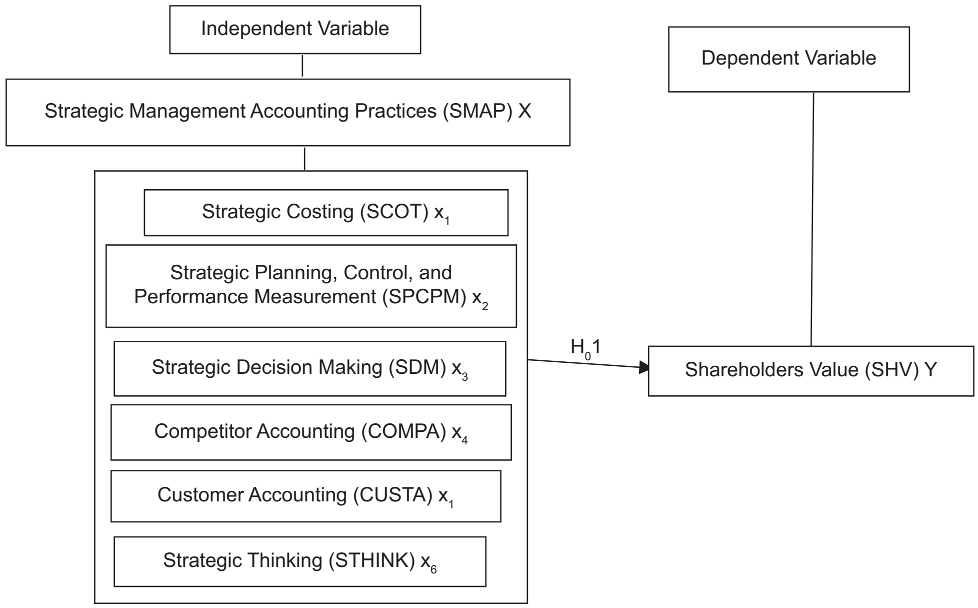

Table 1: Results of the validity test

Variables	No of items	AVE	KMO	Bartlett's test of sphericity	Composite reliability
Shareholders Value	5	0.719	0.754	0.000	0.898
Strategic costing	5	0.800	0.846	0.000	0.835
Strategic planning, control and performance measurement	5	0.901	0.717	0.000	0.856
Strategic decision-making	5	0.776	0.871	0.000	0.754
Competitor accounting	5	0.870	0.873	0.002	0.876
Customer accounting	5	0.789	0.748	0.003	0.856
Strategic Thinking	5	0.802	0.791	0.001	0.876

Source: Researcher's computation (2024)

To ensure the reliability of the research instrument and its consistency over time, a test-retest reliability method was employed. This process involved conducting a pilot study. The reliability of the research instrument was examined using Cronbach's Alpha test, which was estimated for each construct of both the dependent and independent variables. According to George and Mallery (2003), the acceptable threshold for Cronbach's Alpha is 0.70, with the grading as follows: Good (0.70-0.749), Very Good (0.75-0.799), and Excellent (0.80-1.00). The results of the Cronbach's Alpha analysis for this study are presented in Table 2.

3.1.1. Method of data analysis

This study utilized both descriptive and inferential statistics to analyze the collected data. Descriptive statistics were employed to summarize the data, focusing on the response rate and characteristics of the respondents. Specifically, frequency and percentages were used to evaluate the personal information of the respondents, as outlined in Section A of the questionnaire. For the responses provided in Sections B and C, which featured a 5-point Likert scale, the mean, standard deviation, and percentages were calculated to assess the respondents' perceptions and opinions.

Inferential statistics were applied through multiple regression analysis to examine the relationships between independent and dependent variables. The analysis was conducted using SPSS software. The regression model used in this study was specified as follows:

Table 2: Results of the reliability test

Variables	No of items	Cronbach's alpha coefficient	Remarks
Shareholders Value	5	0.819	Excellent
Strategic costing	5	0.834	Excellent
Strategic planning, control and performance measurement	5	0.773	Good
Strategic decision-making	5	0.798	Good
Competitor accounting	5	0.823	Excellent
Customer accounting	5	0.782	Good
Strategic Thinking	5	0.756	Excellent

Source: Researcher's field survey (2024)

$$SHV_i = \beta_0 + \beta_1 SCOST_i + \beta_2 SPCPM_i + \beta_3 SDM_i + \beta_4 COMPA_i + \beta_5 CUSTA_i + \beta_6 STHINK_i + \varepsilon_i \quad (1)$$

This model was employed to test the hypotheses and determine the impact of the independent variables on the dependent variable(s).

4. RESULTS AND DISCUSSION

Table 3 presents the results of the multiple regression analysis examining the impact of various strategic management accounting practices on shareholder value creation in listed deposit money banks in Nigeria. The analysis indicates that Strategic Costing

Table 3: Result of regression analysis

Model	B	SE	t-stat	Significant	R	Adjusted R^2	F (6,297)
(Constant)	0.928	0.290	3.204	0.002	0.545	0.282	20.872 (0.000)
SCOST	0.089	0.054	1.646	0.101			
SPCPM	0.051	0.056	0.907	0.365			
SDM	0.076	0.065	1.176	0.241			
COMPA	0.284	0.083	3.412	0.001			
CUSTA	0.110	0.074	1.486	0.138			
STHINK	0.125	0.079	1.581	0.115			

Predictors: (Constant), SCOST, SPCPM, SDM, COMPA, CUSTA, STHINK
Dependent Variable: SHV
Source: Author's computation, 2024 underlying data from Field Survey

(SCOST) (β = 0.089, P = 0.101), Strategic Planning, Control and Performance Measurement (SPCPM) (β = 0.051, P = 0.365), Strategic Decision-Making (SDM) (β = 0.076, P = 0.241), Customer Accounting (CUSTA) (β = 0.110, P = 0.138), and Strategic Thinking (STHINK) (β = 0.125, P = 0.115) all have positive effects on shareholder value creation. However, only Competitor Accounting (COMPA) (β = 0.284, P = 0.001) demonstrated statistical significance. This finding suggests that Competitor Accounting is a critical factor in predicting shareholder value creation in these banks.

The R-value of 54.5% indicates a strong positive relationship between strategic management accounting practices and shareholder value creation. The Adjusted R^2 value of 0.282 shows that 28.2% of the variation in shareholder value creation can be explained by the strategic management accounting practices included in the model, while the remaining 71.8% is influenced by other factors not captured in this analysis. The predictive and prescriptive regression models are expressed as follows:

SHV = 0.928 + 0.89 SCOST + 0.051S PCPM + 0.0760 SDM + 0.284 COMPA + 0.110 CUSTA + 0.125STHINK Eqn(i) (Predictive Model)

SHV = 0.928 + 0.284 COMPA Eqn(i) (Prescriptive Model)

The regression analysis revealed that when all other components of strategic management accounting practices were held at zero, shareholder value creation was positive at 0.928. In the predictive model, variables such as Strategic Costing (SCOST), Strategic Planning, Control and Performance Measurement (SPCPM), Strategic Decision-Making (SDM), Customer Accounting (CUSTA), and Strategic Thinking (STHINK) showed positive but insignificant effects. This suggests that these variables may be less critical for predicting shareholder value creation and hence were excluded from the final model.

The analysis further demonstrated that an improvement in Competitor Accounting (COMPA) could increase shareholder value creation by 0.284%. This finding highlights the importance of Competitor Accounting in enhancing shareholder value through effective strategic management practices.

The F-statistics (df = 6, 297) = 20.872 with a P = 0.000 confirms the overall model's significance in predicting the impact of strategic management accounting practices on shareholder value. It suggests that among the components analyzed, Competitor Accounting is a significant determinant of shareholder value creation, while other variables such as SCOST, SPCPM, SDM, CUSTA, and STHINK did not show a significant impact.

Based on these results, it is recommended that listed deposit money banks in Nigeria focus on improving their Competitor Accounting strategies to enhance shareholder value creation. Consequently, the null hypothesis that strategic management accounting practices have no significant effect on shareholder value creation in Nigerian listed deposit money banks be rejected.

4.1. Discussion of Findings

This study found that Strategic Management Accounting Practices (SMAP) significantly influence shareholder value, aligning with previous research. For example, Ojra (2014), Ojra et al. (2021) reported that the use of strategic management accounting has a significant positive impact on non-financial performance. This finding resonates with the conclusions of Perera et al. (1997), who noted that various forms of management accounting are positively associated with the use of non-financial measures.

Further support for this comes from Alabdullah (2022), who provided evidence from the Jordanian service sector, indicating that strategic management accounting enhances organizational performance when effectively implemented. This study's findings are consistent with those of Oboh and Ajibolade (2017), as well as Guesalaga et al. (2018), who assessed the resources and capabilities underpinning strategic key account management. They found that SMAP significantly contributes to shareholder value creation.

Similarly, Turner et al. (2017) argued that organizations aiming to enhance their competitiveness, and performance must not only develop but also implement internal policies and procedures, such as strategic management accounting, that align with their business strategies and account for changing competitive demands. Studies by El Deeb (2012), Noordin et al. (2015), Ojra (2014), Sedevich-Fons (2018), and Turner et al. (2017) also reported that strategic management accounting enhances organizational performance.

However, the findings of this study contradict those of Petera and Šoljaková (2020), Lay and Jusoh (2012), Alamri (2019), and Oyewo et al. (2021), who reported that SMAP measures had a negative relationship with organizational performance. The discrepancies in these findings could be due to the different constructs used to measure SMAP and the varying focus of these studies. While this study concentrated on shareholder value creation, the others focused on overall organizational performance, which might explain the differing results.

5. CONCLUSION AND RECOMMENDATIONS

This study examined the effect of strategic management accounting practices on shareholder value creation of listed deposit money banks in Nigeria. The regression estimates showed that these practices significantly affect shareholder value creation. Therefore, the study concludes that intensifying quality strategic management accounting practices is crucial for enhancing shareholder value.

To improve returns to shareholders, banks must focus on financial performance improvements. In a highly competitive market, organizations with robust competitor accounting practices are more likely to identify and rank their competitiveness and achieve both financial and non-financial performance goals. Understanding competitors' strengths, weaknesses, capabilities, and strategies is crucial for developing effective marketing strategies that give a competitive edge. The significant positive effect of competitor accounting on shareholder value requires bank management to implement successful strategies for competitive advantage, thereby boosting shareholder value creation.

According to Porter (1985), strategy involves developing appropriate tools that allow a company to analyze and determine its position in a competitive market. The literature emphasizes the importance of focusing on competitor accounting (Cescon et al., 2019; Cinquini and Tennuci, 2010; Ojra, 2014). Shareholders are primarily concerned with the return on their investment in an organization. They seek higher returns through cash dividends and capital appreciation. Publicly traded firms risk losing shareholders to other companies offering better returns. Therefore, management must strategically outshine competitors to enhance shareholder value. The findings of this study reflect this, as competitor accounting was the only strategic management accounting practice that significantly impacted shareholder value creation.

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