EFFECT OF MANAGEMENT CONTROL ON THE PROFITABILITY OF EMENITE LTD.

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DEPARTMENT OF ACCOUNTING AND FINANCE

FACULTY OF MANAGEMENT AND SOCIAL SCIENCES

GODFERY OKOYE UNIVERSITY UGWUOMU-NIKE ENUGU

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PROJECT SUBMITTED TO DEPARTMENT OF ACCOUNTING/ FINANCE

FACULTY OF MANAGEMENT AND SOCIAL SCIENCES

GODFERY OKOYE UNIVERSITY, UGWUOMU-NIKE, ENUGU,

IN PARTIAL FULFILMENT OF THE REQUIREMENTS
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SUPERVISOR: DR. OSMUND UGWU

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Declaration page

I, Omaka Grace Uzoamaka, am a bona fide student in the Department of Accounting and Finance under the Faculty of Management and Social Sciences in Godfrey Okoye University. I hereby declare that the work entitled Effect of Management Control on the Profitability of Emenite Ltd. submitted by me in partial fulfilment of the requirements for the award of Bachelor of Science (B.Sc.) degree in Accounting is my original work and has not been submitted either in part or full for any other degree or diploma either in this or any other tertiary institution.

______________________ ______________________

Omaka, Grace Uzoamaka Date

Certification

This is to certify that this research entitled Effect of Management Control on the Profitability of Emenite Ltd. written by Omaka, Grace Uzoamaka with Registration Number GOU/U22/ACC/391 presented to the Department of Accounting and Finance of Godfrey Okoye University, Enugu has been assessed and approved for oral examination/defense by the Department of Accounting and Finance, Godfrey Okoye University, Enugu.

____________________ Project Supervisor	______________ Date
____________________ Head of Department	______________ Date
______________ Dean, FMSS	______________ Date
____________________ External Examiner	______________ Date

Dedication

This work is dedicated to God Almighty.

Acknowledgement

First and foremost, I give thanks to Almighty God for His guidance, strength, and grace throughout the course of this research work. I express my sincere gratitude to my supervisor, Dr. Osmund Ugwu, whose guidance, encouragement, and constructive criticisms were invaluable to the successful completion of this project. His support and mentorship have been a great source of inspiration. I wish to express my sincere appreciation to the Head of Department and Dean of Faculty, Prof. John Odo, for his exceptional leadership, support, and encouragement throughout the course of my academic journey. I am grateful for the opportunities and guidance he provided, which contributed significantly to the successful completion of this work.

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To my humble self, thank you! For your resilience, for showing up, for pushing and for not dropping out. You are amazing!

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ABSTRACT

This study examined the effect of management control on the Return on Assets (ROA) of Emenite Limited, a leading fibre cement products manufacturer in Emene, Enugu State, Nigeria. Three dimensions of management control were investigated as independent variables: budgetary control, responsibility accounting, and internal control system strength. The study was anchored on Contingency Theory (Otley, 2016), with Agency Theory (Jensen & Meckling, 1976) and Stewardship Theory (Davis et al, 1997) as supporting theoretical frameworks. A descriptive survey research design was adopted, and primary data were collected through a structured questionnaire administered to 43 management-level employees of Emenite Limited in May 2026, representing a response rate of 82.7%. Data were analysed using descriptive statistics, Pearson correlation analysis, and Ordinary Least Squares (OLS) regression in EViews 10.0, with qualitative responses subjected to Braun and Clarke's six-phase thematic analysis. The findings revealed that budgetary control had a significant positive effect on ROA ($\beta = 0.293$, $t = 4.579$, $p < 0.001$), leading to the rejection of the first null hypothesis. Responsibility accounting did not have a significant positive effect on ROA ($\beta = -0.355$, $p = 0.268$), and the second null hypothesis was not rejected. Internal control system strength had a significant positive effect on ROA and was the strongest predictor in the model ($\beta = 0.833$, $t = 3.361$, $p = 0.002$), leading to the rejection of the third null hypothesis. The three variables collectively explained 51.4% of the variance in financial performance ($R^2 = 0.514$, $F = 13.755$, $p < 0.001$). The study recommends that Emenite Limited: (i) institutionalise flexible budgeting to strengthen the budgetary control–ROA relationship; (ii) introduce a structured responsibility centre performance incentive scheme to unlock the motivational potential of responsibility accounting; and (iii) strengthen risk assessment and information communication to deepen the contribution of internal control system strength to Return on Assets.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Successful organizations need strong internal mechanisms to maintain financial performance. Eniola and Akinselure (2016) stated that companies that lack internal governance are more likely to underperform financially and experience operational instability. Management control is broad ranging in scope.

It concerns all the processes, procedures and systems that organisations use to direct and monitor the activities of personnel, at the same time as assessing these activities in order to achieve the stated goals of the organisation. Return on assets measures a company's ability to turn its asset base into net income. In general, the manufacturing industry has high operating costs and tight margins, so this metric will be sensitive to both costs and revenues. It is not surprising, therefore, that in their study of Emenite Limited, Ross and his colleagues found that the firms that used more formalized management accounting and control procedures were more profitable in terms of return on assets than firms with informal control procedures.

In the past decade considerable development and change has occurred in the field of management control. Otley (2016) Contemporary management control frameworks includes the use of budgetary control, responsibility accounting and internal control systems (Karmarkar, 2017). Consequently, it is crucial for framework designs to consider the interrelationships among the strategy, performance targets, incentives and feedback and to think about how each can best contribute toward the organization's ability to produce profits and keep producing them.

There are three dimensions of management control that are particularly pertinent to our study: budgetary control, responsibility accounting and internal control systems. Budgetary control ensures that operating expenditures are kept in line with budgeted targets, and responsibility accounting ensures that individual managers or departments are made financially accountable, and therefore are motivated to be cost-conscious. For a manufacturing organisation to be financially managed effectively, internal control systems are essential to protect the organisation's assets, ensure that its operations are reliable (Askarany et al., 2019). Three dimensions of management control are of particular relevance to this study: Budgetary control, Responsibility accounting, and Internal control systems.

In a more recent study, Okpolosa (2022) found that manufacturing organisations with strong budgetary control frameworks reported significantly better financial outcomes than organisations who operated with weak or informal budgeting processes. Financial gains in organisations with stronger budgetary control were especially prominent in Return on Assets. This also validates the fact that budgetary control is still a relevant, useful and fundamental tool of financial planning and control to Emenite Limited.

Responsibility accounting ties financial success or failure to specific parts of organizations and the managers who lead them. In this way, productivity accounting assures that each department is held accountable for controlling the cost and/or revenue area over which it has control. In a Nigerian workplace context, responsibility accounting has attracted increasing interest from researchers.

The third key aspect of management control that this study considered was internal control systems. Previous studies have pointed out that internal control systems, comprising the control environment, risk assessment, control activities, information, and communication, and monitoring, play a major role in positively influencing the financial performance of organizations. Several studies suggest that organisations, especially manufacturing firms, have higher returns on assets when controls are stronger and the incidence of fraud, financial leakages and operational inefficiencies is reduced (Eniola and Akinselure 2016).

Emenite Limited was incorporated in 1961, under the technical partnership of Etex Group, and is one of the few surviving large scale manufacturing firms in the Southeastern region of Nigeria and Nigeria at large. As Nwachukwu and Olatunji (2017) posited, firms facing rising input costs, energy challenges and volatile macro-economic environment continue to rely on a structured internal control mechanism to maintain financial performance. The main objective of this study is to investigate the extent to which budgetary control, responsibility accounting and internal control system could explain the variation in Emenite's profitability and Return on Assets (ROA). For instance, Emenite Ltd. is reported to have a profit after tax of NGN167.21m in its 2018 financial year relative to a profit after tax of NGN112.59m recorded in 2017.

1.2 Statement of the Problem

Most studies explain the profitability of manufacturing firms using external factors such as market competition, inflation, exchange rate fluctuations, pricing, and industry positioning. However, evidence suggests that these factors alone do not guarantee profitability. In Nigeria's manufacturing sector, companies like Emenite Limited continue to face declining profitability despite market opportunities. Research indicates that weak internal management controls—including poor budgeting, ineffective responsibility accounting, inadequate internal controls, and weak monitoring of operational performance—can significantly reduce profitability. Therefore, this study seeks to examine whether management control systems, rather than external market conditions alone, have a significant effect on the profitability of Emenite Limited. The study aims to demonstrate that strong internal controls are essential for sustaining profitability in a challenging business environment.

1.3 **Objectives of the Study**

The main objective of this study was to examine the Effect of Management Control on the Profitability of Emenite Limited.

The specific objectives were to:

1. Assess the effect of budgetary control on Return on Assets (ROA) of Emenite Limited.

2. Examine the effect of responsibility accounting on Return on Assets (ROA) of Emenite Limited.
3. Determine the effect of internal control system strength on Return on Assets (ROA) of Emenite Limited.

1.4 Research Questions

The following research questions were formulated to guide this study:

1. What is the effect of budgetary control on Return on Assets (ROA) of Emenite Limited?
2. What is the effect of responsibility accounting on Return on Assets (ROA) of Emenite Limited?
3. What is the effect of internal control system strength on Return on Assets (ROA) of Emenite Limited?

1.5 Hypotheses

The following null hypotheses were formulated to guide this study:

1. H_{01}: Budgetary control has no significant effect on Return on Assets (ROA) of Emenite Limited.
2. H_{0}: Responsibility accounting has no significant effect on Return on Assets (ROA) of Emenite Limited.
3. H_{03}: Internal control system strength has no significant effect on Return on Assets (ROA) of Emenite Limited.

1.6 Significance of the Study

The study is significant at three levels academic, managerial and policy making. At the academic level, it creates a more robust and measurable framework to ascertain the relevance of management control (proxied by budgetary control, responsibility accounting and strength of internal control system) as predictors of profitability (Return on Assets) in Emenite Limited and other similar manufacturing organisations.

The study has added to the empirical literature on management control and financial performance of organisations in developing economies by focusing on a previously unstudied area: manufacturing organisations in southeastern Nigeria. In addition, the study has provided data that may inform future studies on management control in similar organisational contexts across the region.

The results of their study provide Emenite Limited's management with information on which control measures had the greatest effect on the firm's return on assets and what areas needed improvement. The study also makes the case for firms that periodically assess their management control practices for alignment with actual performance outcomes.

Our findings provide information that would be useful to policy bodies such as the Financial Reporting Council of Nigeria, in formulating sector specific guidance on management accounting standards and internal control, or to the Manufacturers Association of Nigeria (MAN, 2022) in providing guidance to member-firms in the manufacturing sector. It also has practical implications for students and academics of accounting and business management who would find a real life application for the management control theory.

1.7 Scope of the Study

However, the study was limited to Emenite Limited, a management company in Emene, Enugu State, Nigeria, and looked at only three dimensions of management control's effect on profitability, as measured by ROA: budgetary control, responsibility accounting and the strength of the internal control system. The scope, method, and sampling decisions were determined to appropriately focus the study.

Although this study was conducted in May 2026, the period 2022 to 2026 captures sufficient organisational experience with regard to management control practices at Emenite Limited. The study focused on only one manufacturing organization. The methodology was based on a survey research design and generated primary data via a structured questionnaire, gathered from managers of Emenite Limited.

Even though the investigation is confined to an single organisation, this generates a high – fidelity case study of fine particulars concerning inside management management in the course of internal operations.

(Saunders et al., 2019). Survey technique of examine which entails an on line questionnaire of management staff is utilized.

1.8 Limitations of the Study

There are, of course, limitations to this research. Using a case study approach enabled us to conduct such an in-depth analysis, but by definition this approach is context-specific. Secondly, the restriction of the study to only one company Emenite Limited implied that the results of the study could not be easily generalized to the Nigerian manufacturing industry.

Because of confidentiality, the study could not access the company's actual financial records and detailed internal management documents, and thus relied heavily on published audited financial statements and the primary data collected from the questionnaires. The surveys themselves could not capture all the nuances of the company's internal control practices.

The presence of common method bias is a general weakness confronting most, if not all, survey- based organisational level research (Podsakoff et al, 2012). In this study, respondents may have felt compelled to portray their organisations as having few internal control weaknesses and infrequent budgetary deviations.

One assumption inherent in the study is that the published financial statements of Emenite Limited are comprehensive, complete and accurate in every material respect. Any inaccuracy or omission in the company's financial statements would correspondingly be reflected in the validity of the study's quantitative findings.

1.9 Operational definition of Terms

Rhe following key terms are defined within the context of this study:

1. Management Control: The systematic process by which management directs organisational activities toward the achievement of set objectives. In this study, it was operationalised through budgetary control, responsibility accounting, and internal control system strength (Otley, 2016).
2. Return on Assets (ROA): A financial ratio that measures how efficiently a company uses its assets to generate net income. It is calculated as Net Income divided by Total Assets and expressed as a percentage. ROA was adopted in this study as the primary measure of profitability, consistent with its widespread use in empirical management control research in Nigeria (Ogundajo & Nyikyaa, 2021).
3. Budgetary Control: A system of financial planning and performance monitoring in which budgets are prepared in advance, and actual results are periodically compared with budgeted figures to identify variances and initiate corrective action. According to Okpolosa (2022), budgetary control is among the most widely used management control tools in manufacturing organisations such as Emenite Limited.
4. Responsibility Accounting: A management accounting system that assigns financial accountability — including revenues, costs, and profits — to specific managers or organisational units, based on their areas of control. Emiaso and Egbunike (2018) described responsibility accounting as a mechanism that promotes cost-conscious behaviour and enhances managerial decision-making by creating clear lines of financial responsibility.
5. Internal Control System Strength: The overall effectiveness of an organisation's internal control framework in achieving its objectives of reliability of financial reporting, operational efficiency, and regulatory compliance. Drawing on the COSO (2023) framework, internal control system strength was assessed across five

components: control environment, risk assessment, control activities, information and communication, and monitoring.

6. Manufacturing Company: An organisation that transforms raw materials or semi-finished goods into finished products for sale. In this study, this referred specifically to Emenite Limited, a producer of fibre cement building products in Enugu State, Nigeria.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The conceptual review is organised into the following subheadings: Conceptual Review, Theoretical Review and Empirical Review.

2.1 Conceptual Review

In the first part of this chapter, a review is made of the main concepts underlying this study: responsibility accounting, budgetary control, internal control systems, management control and profitability (ROA). This, in turn, grounds the goals of the study within the theoretical and empirical framework. The conceptual review in this chapter examines the key concepts underpinning this study.

2.1.1 Management Control

Management control consists of the processes through which organisations seek to direct and monitor the behaviour of their members in order to achieve desired objectives. Thus, it is the link between having a strategy and making it happen (Otley, 2016). The concept has emerged from its original, narrow financial accounting controls focus to a broader systems perspective which integrates both the quantitative and qualitative dimensions of organisational performance.

In the Nigerian manufacturing context, management control is particularly relevant given the dual pressures of external macroeconomic volatility and internal governance weaknesses. Improving management accounting and control systems in Nigerian manufacturing firms is a precondition for sustainable innovation and financial outcomes. Effective management control thus serves as the connective tissue between strategic intent and financial outcomes — making it the central construct of this study.

2.1.1.1 Elements of Management Control

Starting off, management control setups usually involve multiple connected parts. Back in 2016, Otley pointed out five key pieces - first, spotting what an organisation wants to achieve. Then comes shaping approaches and roadmaps to get there. Setting targets follows close behind, forming part of how progress is measured. Rewards and incentives come into play after that, nudging people in certain directions. Feedback channels wrap it up, sending data back through the system. Put together, these bits build a working framework steering actions where they need to go.

Most real-world management checks show up as concrete methods. One such method, budget tracking, helps set targets while keeping tabs on progress. Another approach, assigning clear money-related duties to teams, ties performance to specific parts of the company. At the same time, structured safeguards protect resources and keep financial records reliable. When businesses link several of these controls together, they usually manage their finances far better than when using just one tool at a time.

The integration of these elements is particularly important in manufacturing environments, where operational decisions made at lower levels of the organisation have direct implications for cost structures and, ultimately, for the Return on Assets that management control is designed to optimise.

2.1.1.2 Objectives of Management Control

Most of what managers aim to do through control is get people in the company moving toward the same money and strategy targets. In factories, good control setups work quietly behind the scenes - they trim expenses while steering materials where they're needed most. Instead of leaving things to chance, these systems lower dangers by spotting weak spots early. Improvement shows up not in reports but in how smoothly everything runs day after day. Profit grows when all pieces pull together, not just because someone demands it.

Most people think controls are just about budgets. Yet they shape how teams behave too. When goals make sense to workers, effort follows naturally. Clear expectations tied to personal impact boost focus across departments. Rewards connected to results keep attention sharp on priorities. Responsibility systems work better when each person sees their part. Outcomes improve where feedback links directly to daily choices. Purpose grows when measurement feels fair and transparent.

2.1.2 Budgetary Control

Budgetary is how money gets used often follows set numbers meant to guide work. When real outcomes differ from those planned, differences show up needing review. These gaps get studied so changes can happen when needed. Money tracking becomes part of daily oversight through repeated checks. A clear path forms for assessing what people do versus expectations. Adjustments start once results drift too far from targets. This whole cycle runs again and again without pause. Goals shape spending choices while progress shapes future estimates. Performance gains clarity by measuring effort against forecasts. The system helps spot missteps before they grow large. Numbers on paper meet reality in regular comparisons. Each check keeps actions closer to intended paths. What happens meets what was expected at scheduled points. Progress stays visible because measurements repeat steadily. Plans shift slightly after learning from past mismatches. Actual flow of funds meets projected lines repeatedly. Review moments create space for small fixes. Organising around targets brings structure to decisions. Every round of analysis supports smarter next steps. Follow-up ensures alignment over time with original aims.

Budgetary control matters because it shapes plans while measuring results. When companies stick to tight budget routines, daily work ties closely to money goals - this often lifts asset and equity gains. What makes budgets powerful isn’t just forecasting - it’s how they connect effort to outcomes. Profitability grows when this link stays clear and active across operations.

2.1.2.1 Nature and Purpose of Budgetary Control

Budgetary control works by turning company goals into money plans that shape daily choices. Built around it is a kind of financial roadmap drawn ahead of time, one leaders refer to during the year. When times get shaky economically - like often happens in Nigeria's factory sector - businesses using structured budgeting handle rising costs more smoothly, protecting their profits.

One reason budgets matter is they help teams line up goals before spending begins. Because every unit must outline its needs ahead of time, separate groups start aligning efforts without extra meetings. When factory leaders let floor supervisors join in setting numbers, people stick closer to those figures later on. That kind of involvement often shows up in stronger results at year-end reviews. Plans shaped together tend to land more firmly when execution starts.

2.1.2.2 Types of Budgets in Manufacturing Organisations

Most factories use several different spending plans, each helping manage tasks and goals differently. Built into one big picture, the main money plan holds together forecasts for making goods, selling them, buying supplies, paying workers, covering extra costs, also tracking cash flow. In Nigeria, those who keep full versions of this central blueprint usually spot needs early, notice problems faster.

When things shift fast in Nigeria's factory world - like power cuts or late deliveries - a fixed plan falls apart. Instead of sticking to old numbers, some companies tweak their spending targets to match real output. This move helps spot true performance gaps, once you account for surprises like spiking orders or halted supplies. Looking at differences becomes fairer when budgets bend with reality, not fight it. Firms that adjust forecasts mid-cycle tend to see clearer signals in their financial feedback. For local producers wrestling with unstable conditions, building elasticity into planning makes review meetings far less misleading.

2.1.2.3 Budgetary Control Process

One step at a time, the budgeting cycle moves through planning, sharing information, tracking outcomes, then examining differences. Planning begins when leaders define goals using past data, long-term aims, because external factors shape what is possible. Everyone across teams learns their financial roles once details are shared clearly. As work progresses, real numbers get checked next to forecasts every so often while surprises trigger deeper review. When gaps appear large enough, reasons behind them come into focus which leads eventually to adjustments being made.

Most of the time, how well budgets stay on track comes down to how clear the data is - then again, it hinges just as much on spotting differences fast. When factories work in shifting markets, waiting too long to report those gaps means problems stack up, slowly eating into profits almost without notice.

2.1.3 Responsibility Accounting

Every dollar tracked ties back to someone who can actually influence it. That person might handle income, spending, profit, or where money gets put to work. Control defines Assigning accountability for outcomes that are within the control of the managers seems reasonable. Those that are out of scope are disregarded and exclude from review of the manager. This impacts the evaluation of the individuals the evaluation is relevant, limited and appropriate, where responsibility and the degree of authority are apparent. It may indirectly promote vigilance concerning resource allocation by highlighting individual responsibility and control over that responsibility .

Monitoring performance out there segregates the duties of an organisation into areas of defined responsibility and ownership in a way analogous to an investors expectation for the corporation's organisation, and establishing of clear spheres of control will reorder how a firm monitors actions and will turn on the fire in order to focus the actions of managers on the specific resources in their scope.

Generally factories like Emenite Limited will separate their operations into several departments, where each department will manage their own expenditures, use resources differently and generate additional value. By giving the managers in each section the responsibility over their department's funds, there is an incentive for them to cut the costs, because they see the financial benefit directly, which in turns increases the assets performance of the entire corporation by increasing the return without introducing top-down intervention .

2.1.3.1Types of Responsibility Centers In the structure of responsibility accounting, an enterprise will be divided into several part in which the head of each part is responsible for his finance operations. One part will just supervise the costs, some part can control income, still some part may review profits, and some part can control investment and costs and profit as well. Each part will be divided by the scope of influence over finance, so its financial figures are monitored closely . Some part of organization like workshop or workshop department which are monitoring their costs, but there is no interaction with their income which we may have in building products is considered as Cost Centre. If the area just focused to make income, rather than to manage the costs it will form the revenue centres.

who answers for what. . Think of a sales group in a factory setting - they push product out the door but do not track how much it costs to make them.

Running a profit centre means handling income along with expenses, judged mainly by how much money it brings in. Division leaders in big factory-based companies often work like this, focused on bottom-line results. What sets an investment centre apart is the added responsibility for resources used - not just earnings. This setup ties management outcomes tightly to Return on Assets as a measure. Firms built around these units tend to match leadership actions most closely with asset efficiency goals.

2.1.3.2 Objectives of Responsibility Accounting

One goal behind responsibility accounting is letting departments make their own choices. Decisions happen quicker when control shifts closer to daily operations. Managers take ownership because results link directly to them. Performance gets measured more clearly under this setup. Rewards follow naturally when outcomes improve. Planning stays aligned even with separate units working independently. Senior leaders face less pressure tracking every number themselves. Information flows better without bottlenecks up top. Coordination continues smoothly despite distributed power. Speed increases across tasks that once waited on approvals.

Another goal involves creating a balanced way to assess how managers perform. Within Nigeria's publicly traded firms, how clearly roles are defined shapes how well oversight systems work. This supports the idea that clear responsibility practices must go hand in hand with financial rules when aiming for profit. What stands out is that without strong lines of answerability, even tight budgeting may fall short.

2.1.4 Internal Control System

Inside every organisation, ways of working come together through rules, actions, setups, and roles to help make sure goals actually happen. These include doing work well without waste, sharing true numbers in reports, plus following legal demands. Running smoothly ties back to how people at different levels shape daily efforts. What matters grows from involvement by leadership teams, managers, even staff down the line. Expectations meet reality when each part supports the whole. One widely used view comes from a group often called COSO. Their take? Control lives in ongoing steps guided by those inside the business. Confidence builds slowly when structure meets intent.

Inside a company, how tightly things are managed shapes whether money slips away. When rules stick firmly, risks get checked often. Clear routines keep actions on track. Information moves where it should. Watchfulness stays steady. These pieces fit together to hold value in place.

2.1.4.1 Components of Internal Control: The COSO Framework

Inside every strong system of oversight sits five pieces working together, shaped by the COSO model. One begins with how leadership sets the tone - that is the control environment. Where risks show up gets studied next, feeding into smart choices later on. Actions then follow, designed to keep things running smoothly day after day. Data flows through teams clearly only when messages move both ways without delay. Checks happen again and again so nothing slips past unnoticed over time. Each part holds weight, fitting into a bigger picture that keeps organisations steady.

Behind every working system, there lies a quiet culture that shapes how things get done. People matter most - how they think, act, when choices must be made. What leaders value leaks into daily routines, shaping habits without words. Authority travels through roles, clear or messy, depending on design. When honesty sits at the core, systems stand firm under pressure. Without it, everything else wobbles, no matter the plan.

Looking at what might go wrong starts the process of spotting threats to a company's goals. Because clear steps matter, rules like checking balances, approving actions, signing off work, and securing assets keep operations on track. When details flow clearly between team members, tasks get handled right - timing and format make all the difference. As days, weeks and months pass and it can be observed what success has these inspections.

2.1.4.2 Effectiveness of internal control system Most companies have stable situation as long as there are functioning internal control processes. That depends only if theCOSO-control-cube components exist properly, functioning effectively not just exists.

If some components are not fulfilled the entire system fails.

However in systems that score strongly on control components the waste of money, theft of assets or wrong reports is considerably more rare. The effect doesn’t look impressive, but it helps companies maintain earnings without gaining a lot of attention, through a lot of consistency and action in the back. Factory are relying a lot on an effective internal controlsystem because they involve a large number of people and a wide array of materials. With huge inventories that are always in transit and assembly processes that involve many production stages, errors can be quickly transmitted throughout the system in case of weak controls.

In this complex setting with assembly line process with a large number of people and material flow it is not possible to operate without strong internal control guidelines and processes.

Workers, machines, and schedules need coordination, a task made harder without consistent monitoring systems. How leaders set expectations influences whether resources get used wisely or wasted across departments. Rules about approvals, reviews, and access form the backbone of daily workflow discipline.

2.1.5 Profitability and Return on Assets (ROA)

What keeps companies alive often comes down to profit how much money they make compared to what they use. This work looks at that through Return on Assets, or ROA, showing how well a business turns what it owns into actual earnings. Not every metric tracks both sales strength and spending discipline like ROA does. Nigeria's corporate environment's advantages for investigation in comparative examination consistantly stand since there is a bigger size contrast between the business examined compared to their littler scale counterparts.

2.1.5.1 Nature of Profitability

This metric relates to a firm's ability to make much better compared to it can make losses. The objective of a business to earn more money than it spent as much as it made; this, generally, offers an inclination towards assessing its relative superiority or otherwise in terms of rivalry. The output in regard to earnings in plants as related to costs is determined largely by their sales results along with use and patterns of devices which are normally affected by good management techniques . Those factors play hidden roles in molding a lot more of its components of the performance dimension. Making more in relation to price not really a feature of plants producing only for the local setting only, but it appears to be in tandem as firms work hard to sustain or raise overall revenue while restraining all expenses simultaneously. Both dimensions as identified earlier such as, clear structure of accountability, budgeting as well as control systems for management and internal auditing are found to be associated when both dimensions are controlled in the performance of any company.

2.1.5.2 Return on Assets (ROA)

Definition and Calculation ROA (Return on Assets) can also be determined from profit earned against the entire resource that was given used up by the business after changing into percent, ROA = Profit x 100 Total Assets Any organization that returns more revenue per dollar invested in assets possesses a much more skilled ownership position as much as their returns are involved. Because of this, ROA would naturally be a very beneficial factor for industrial research given that manufacturing business commonly owned extensive machinery, equipment in addition to stock. Profits boost, and thus are more productive when plants' machinery, buildings and also products are applied for production efficiently, this fact drives reasons behind why these type of performance measuring approach are well fitting for industrial use . Here picking ROA as measure will align most well with studies that is made against plants and companies locally as the use ofROA factor is not directly determined by gearing and thus reveals more insight about operating cash flow efficiency of firms.

2.1.5.3 Significance of ROA in the Manufacturing Sector

Because of high investment which is naturally associated with manufacturing industries in the Nigerian environment, they perform better when they maximize earnings in relation to total assets utilized. Substantial financial investments are generally associated with purchase of costly industrial machinery, which are costly. Profitability in a manufacturing company such as plants is thus a product of both income and expense management rather than being related to sales revenue as observed in service industries . A close tracking and measure in internal controls over the accounting procedures helps to improve how the company effectively manages its resources in plant level production activities.

For Emenite limited because of significant industrial processes at their disposal that influence the outcome of their profits most strongly by their utilization, the role of strong internal controls in minimizing financial losses and maximizing resource employment cannot be underestimated as better management oversight that control internal resources more effectively directly influences overall asset return figures. Efficiency gain resulting from better internal control would have a direct impact on these key performance variables and is readily demonstrable through improvement of financial results through proper accountability framework in Emenite Limited.

2.1.6 Manufacturing Companies in Nigeria

The Nigerian manufacturing companies is essential in determining the countrys' economy, such that it impact on output, create jobs and provides substantial source of income aside oil exports, but many of such companies over the last few years are handicapped by inadequate power supply, lack of access to and dilapidated road systems and finance problems, together with a number of weak internal financial control systems that make most of the industries to be operating far below potential capacity . These companies are challenged with the difficult reality of navigating tough market conditions, maintaining strong internal controls remains the bedrock for achieving consistent and stable asset return and long-term success. Emenite Limited being an established player in the manufacturing sector can be leveraged for such learning because of its ability to remain resilient and its relative stability through difficult periods and good performance outcomes.

2.2Theoretical Review

The prevailing framework employed here is the contingency theory which is an expansion of work of Otley (2016) complemented by elements from agency theory Jensen and Meckling (1976) that are subsequently complimented with elements of stewardship theory Davis et al (1997) which is also well suited to be utilized without being a repetitive analysis . One can infer from these perspectives that internal control and related accounting activities such as, control system(s), internal auditing, accountability structure etc are employed to secure day- to- day operations, or, simply to reflect financial results of actual operational work with money. From the perspective of Steward theory, budgets are seen as an essential mechanism for maintaining some level of discipline with regard to the flow of money, and internal accounting and control procedures serve to make managers responsible and accountable in their management of assets which Emenite Limited seems to put into practice through its existing routines. The other implication to consider is that, the theory suggests that control systems only bring effective results if all dimensions related to internal controlling process are put on the move in conjunction with each other whenever changes and environmental challenges occur.

2.2.1 Contingency Theory

No perfect blueprint exists for running every company. From the start, different situations call for different methods. Size matters - how big a firm is shapes what structures work best. Instead of copying others, leaders adjust based on real-world demands they face. Technology used inside also changes what processes make sense. Outcomes improve when ways of working line up with actual circumstances. Competition level outside pushes firms toward certain choices. Where a business operates geographically brings additional influences into play. Strategy direction guides decisions behind the scenes too. When setups match these shifting pressures, results tend to follow. Earlier ideas grew stronger through later research by Otley in 2016. Organisations ignoring this link risk lower performance without even noticing why.

Out on the edge of structure, Contingency Theory reshapes thinking about control - not through rigid rules, but by matching methods to real-world conditions. Where stability holds sway, steady routines might dominate. Yet amid turbulence - swinging prices, shifting regulations - a looser or faster-reacting system could matter more. The mechanisms do not work in isolation, but gain their effectiveness only as they relate to the environment. The performance advantage of this approach becomes apparent when management accounting reflects the demands imposed by external factors as well as by objectives of the business unit. Under the generic title of management controls it includes items such as budgeting, performance evaluation, and internal control checks.

The success and usefulness of this approach depends on the particular context in which the controls are used because budgeting, performance evaluation, and internal control processes are dependent on other related functions, employees, culture, market conditions and competitive pressures of the organization.

Where the control mechanisms fit the organization they are likely to enhance the utilization of assets and lead to improved profitability over time. Profit, in this case refers to profitability as defined by firms earnings from assets held that it owns which is reflected in the profitability index. Given that these contextual factors vary between companies, we resort to contingency theory to study the relationship between management accounting and profitability. In the context of Emenite Limited, a Nigerian manufacturer facing difficult business conditions characterized by a weak environment such as inflation, high cost of operation, lack of infrastructure and intense competition, effectiveness of management control systems like budgeting, internal controls and performance evaluation systems may differ from companies operating in more stable environments, as they are fitted to specific situation demands.

Context bends outcomes. Tools behave differently when surroundings shift.

2.2.2 Agency Theory

Born from Jensen and Meckling's 1976 work, Agency Theory stands as a key idea in how organisations and firms are run. When someone hands over control to another person so that tasks get done, trouble can quietly begin. That happens because goals rarely match up between the two sides involved. Hidden knowledge gives the worker an edge - they know what choices were made, while the boss does not. Watching every move costs too much, making it hard to catch when personal gain sneaks into decisions meant to serve others. Monitoring happens when the principal watches over things. That leads to one kind of expense. The agent pays another cost to prove they're acting right - this is their bond. Even then, some loss stays because choices never line up perfectly with what benefits the principal most. These gaps mean results fall short no matter what. All such expenses together go under a single name. They're called agency costs.

When people work inside organisations, trust becomes tricky. Because leaders cannot watch every move, they build systems to keep actions aligned. These setups track progress, shape decisions, and give feedback without constant oversight. Where knowledge gaps exist between bosses and workers, controls narrow them by making outcomes visible. One man's goals can inspire another man's daily habits, as long as those clear expectations become part of routine tasks. You can imagine guardrails on the edge of an endless freeway -- small, yet effective. It's not that they are intended to signal a suspicious person; rather, they reinforce direction through layers of management.

When employees can accurately determine how their efforts impact the overall mission, profits are made through better decisions rather than more people or more paperwork.

That helps to stabilize results whether the job has been carried out by different persons. While structure can foster liberty oddly enough; lack of shared vision makes everyone wander astray. Hence these mechanisms are essential for bridging intentions and actions, or to illustrate it's working step by step.

When looking for the day-to-day equipment that enables, consider how a budgets may mediate conflicts between shareholders and managers because these tools set in advance how the organization's goals can be pursued -- if managers come up short of the target performance, it would be immediately clear. Having its own budget each team has assigned makes responsible accounting clear, since leaders could monitor expenditures and allocations to be in line with company standards, avoiding hidden discrepancies in knowledge or in the utilization of funds. Additionally, some management procedures prevent dishonest actions like record manipulation or inappropriate spending by operational managers which protect the company's assets from leakage. Overall, all these elements can significantly decrease transaction costs due to mistrust by reducing management effort expended on monitoring employees to be reflected in an increased level of real economic output, instead of simply on ensuring employee compliance; business profitability and asset returns are shown to be enhanced particularly within such capital intensive enterprises as factories due to its efficient use of assets.

The logic that suggests increased control would eventually lower transactions costs is, however, subject to limitations when there exists the separation of ownership and management within a company as found with Emenite Limited. As an affiliate of the Etex Group with distinct management and ownership, Emenite's operational structure is suitable for analysis by Agency theory since this framework illustrates how control has an incentive to be tightened as a way of compensating for the potential agency costs incurred by shareholders given separation of ownership from ownership. However the management control instruments that is assumed to curb some costs, are budgets and controls systems, and therefore the study explores whether, in light of the potential for agency costs, increased control would yield a positive relationship with company's ROA,.

Agency Theory.

It has been posited that tighter managerial constraints associated with planning and reporting requirements on average lead to reduced company-specific transaction costs and, correspondingly, the improved relative performance shown with a rise in ROA .

Stewardship theory. Davis et al. (1997) established this theory specifically to question how the nature of employee motivation that the Agency theory implies (i.e. Employees acting in self interest unless observed), is inaccurate. This theory suggest that Managers can identify with the company and derive personal satisfaction and esteem not from individual gain but from the overall success of the organization with which they identify .

These individuals become so loyal to their firm that they often consider their employment as a duty, motivated primarily through internal factors such as commitment rather than through external rewards or punishments.

They operate with high levels of trust, as instead of vigilance and enforcement mechanisms, the manager may take on role which relies more on collaboration. What may bond the relationship between leaders and followers in the context of stewardship is shared aspirations rather than power; conflicts are not to be expected, as is cooperation.

With Stewardhsip theory, there is also a notion that controls function to raise persons rather than restrain persons as with the previous theories, controls facilitate communication with people and it allows a process to be more cohesive when persons activities are aligned with each other. That it provide empowerment rather than constraints. And so the person who is empowered with responsibility receives the requisite resources to carry out the required functions of strong financially based performance results thus increasing performance rather than the use of control by itself. Thus it is believed that Stewardship controls promote greater profitability rather than ROA. In other words, individuals are simply enabled rather than monitored.

2.3 Empirical Review The present study therefore reviews literature on management control and profitability. Thirty-one pieces of work were reviewed as illustrated in chapter three on management control and profit. Several works employ budgetary procedures as management control and others use performance reports or internal accounting controls as instruments. Most of the studies reviewed are from Nigeria. Others include work from other African countries such as Ghana, Kenya, which contribute to international perspective of Management Control, but they are not restrictive since whatever applicable from the other continent is considered so far it applies to Nigerian scenario.

2.3.1 Management control and profitability Ugwoke's 2025 study is presented herein that explored how management control systems (MCS) fit with strategy implementation and profitability of the firms. The study was focused on some selected factories within southern Nigeria using 2025 information of business operation. The use of question approach via mailed questionnaires that were directed to each company's management provide primary data for this study. Analysis of the data was done using various regression analysis methods such as Linear regression method and Multivariate Methods for descriptive and inferential analysis purposes to find and present the pattern of relationship between MCS and profit . According to the result of the study, full implementation of management control systems leads to better level of profit in significant way. It is argued in effect that where control systems properly support the stated policies and strategy of the organizations; that the overall benefit is less work being wasted, and profits resulting there from; the report recommended that developing countries and manufacturing organisations, especially in such business that will utilize their business assets efficiently should put in place robust MCS purposely design to enable firms maximize earnings and returns.

In Nigeria consumer goods manufacturing sector of the Nigerian economy, Ali-Momoh in his 2024 work assessed impact of accounting controls on firms' profit performance. His study decomposed accounting controls into three measures, such as preventive, detective and corrective controls and assessed each separately on their effectiveness on firms' profit performance. The company performance measurement is based on the Net income after tax.

Data collected for this analysis are secondary data which are extracted from financial reports of large foreign owned firms that are operating in the Nigeria for a number of years and the approach applied in analysing this data could be described as retrospective analysis not experimental, as in his work, it involved using statistical and analytical methods that include multivariable regressions and other tests on secondary collected data to demonstrate the association between the study variables.

It was observed by this scholar that there is positive significant relationship between preventive, detective, corrective controls and net income after tax in most cases of his study, as the results demonstrated the significance and relationship between each controls system in explaining firm's performance; in effect each element made a separate contribution and this single factor in detective control was the biggest influence on profitability, with the coefficient 1.1746. His explanation of the relationship found states, that internal company controls minimize loss through the waste of materials, theft, the absence of records, and so on. Good managements protect profits when money is hard or volatile in other companies even when conditions are difficult.

For firms in the Nigeria manufacturing industries, Adebawojo and the team's (2025) examination sought to assess impact of internal control management mechanisms on firm profitability and efficient use of productive capacity. They employed in-depth interrogation of directly elicited data from top management of these publicly traded entities rather than generalize from assumption or indirect information. To reveal meaningful correlations, they utilized a multivariate methodology that relied on quantitative estimation and hypothesis-testing with statistical inference.

The data analysis in this research indicated a powerful correlation between comprehensive internal management controls and increased profits, showing more than one-half of earnings' fluctuations accounted for by these systems (Adj.

$R = 0.576$, $p < 0.001$).

Because economic swings like rising prices or weak currency can hit hard, clear control practices help shield company income. With that in mind, findings suggest leaders tweak and monitor their internal checks regularly so gains last longer.

In 2024, Aduwo looked at how structured cost strategies influenced Nigerian manufacturing firms' ability to grow and remain stable. Instead of just tracking money loosely, the research focused on precise tools like standard costing, monitoring expenses over product lifetimes, along with handling material waste more efficiently - these became the backbone of financial oversight here. Profit levels and production increases were what researchers measured to see if those methods worked. Combining numbers from surveys filled out by factory managers - with responses ranked on scales - and using PLS-SEM analysis brought clarity beneath surface trends. Findings revealed that when companies applied these organized cost techniques, profits responded noticeably, showing consistent upward movement tied directly to smarter spending habits. Surprisingly, tight rules around cost tracking seem to sharpen a company's bottom line. Firms sticking closely to these methods often see deeper savings than others nearby. One pattern stood out: those watching every dollar tend to keep more of them too. Production leaders might find value in building waste limits right into everyday routines. Blocking excess early helps hold gains longer.

From Lagos came a look at how day-to-day oversight shapes earnings in smaller factories. Not outside forces alone, but routines inside each company set the pace for staying open. What keeps machines running well ties back to written guidelines followed without exception. Survival links tightly to targets tracked month after month. Rules applied consistently cut down waste where profits might otherwise slip away. Planning done ahead of time guards against sudden drops in income. When policies are treated as fixed points, equipment lasts longer. Results showed that guessing less and documenting more brings steadier returns. Profit isn't won by reacting to markets only - it grows from structure built within. The way tasks get assigned, checked, and corrected decides whether numbers rise or fall.

2.3.2 Budgetary Control and Financial Performance

A 2022 investigation by Okpolosa looked at how budgeting practices affect financial results in Nigerian manufacturing companies that are publicly traded. Instead of relying only on existing records, it combined fresh surveys with archived information from businesses located in Rivers State. Rather than using standard statistical tools, the research leaned on Spearman's method along with regression models to spot patterns. Results showed a clear link between solid budget oversight and stronger company finances. When spending is carefully monitored through structured budgets, profits tend to rise across teams and among employees. Because of these outcomes, setting up reliable budget controls became an immediate priority suggested for factories aiming to stay financially sound.

Looking at manufacturing firms in Nigeria, Oyedokun and team in 2019 explored how keeping expenses in check ties to profit. Spanning from 2005 to 2017, their focus landed on 23 consumer goods businesses traded publicly, chosen through expert selection. Financial reports - audited ones - fed into statistical modeling across time points to uncover patterns. Budgeting practices stood out as key when it came to managing spending effectively. Results showed tighter cost handling linked clearly to stronger profits. Rather than just cutting corners, smart oversight of materials mattered most. Firms might do better by rethinking where they get supplies, not only how much they spend. Because controlling costs shaped earnings so directly, thoughtful planning made a difference.

Beyond the raw numbers, research from Ogundajo and Nyikyaa (2021) utilized an industrial sector focus to analyze data from 499 employees across 20 plants using fixed survey instruments and quantitative modeling. No wishful thinking there: a clear relationship popped out between budget planning, monitoring expenses, and reviewing performance measures, as well as improved business performance in public firms

. Because patterns held firm in data, companies using organised accounting routines ran ahead of peers who lacked systems. With evidence pointing one way, the authors saw value in pushing standardised financial oversight deeper into factory operations.

Looking into how companies manage their finances, Emiaso and Egbunike explored links between accounting methods and business success in Nigeria's factory sector. Through surveys sent to various production businesses, they pulled together information then applied statistical models to examine relationships. It turned out that when firms used forward-thinking financial tracking - especially structured budget oversight - their overall effectiveness improved noticeably. While some factories barely kept pace, others surged ahead simply by syncing daily operations with long-term goals. What set the stronger ones apart? A deliberate use of planning tools tied closely to strategy.

Looking into how companies plan their money matters, Agbenyo and team in 2018 checked what happens in Ghana's factory-based public firms. Proof, all derived from company account, that all these figures from the Ghana Stock Exchange had shown this all along! That company earnings were improved by having a company finances set up, which they arrived at by taking existing figures combined with a statistical approach that found a correlation. That budgeting at company level worked, especially profit per unit of assets. However, most interestingly, how a company budgeted influenced success more than any other variable, with employee participation during budgeting, most impacting performance.

From Ghana, Adu-Gyamfi and team in 2020 looked at how management accounting shapes manufacturing business results. With survey responses and statistical modeling, they saw clear ties between accounting methods and company success. Budget tools, cost tracking, along with performance reviews boosted outcomes like return on assets and equity. What stood out? The clarity and usefulness of financial insights given to leaders mattered most. Stronger data quality drove better decisions, which lifted overall performance across factories studied.

Looking at Nigerian factories, Aruah and team in 2023 explored how better accounting tools could support lasting innovation. Instead of just tracking costs, sharper budget oversight helped businesses try new methods while staying stable financially. Published findings in a Europe-based finance journal showed clear links between tighter control systems and stronger results. When companies monitored progress more closely, they innovated smarter plus earned higher returns over time. Surprisingly, one key takeaway was not about technology but mindset shifts within leadership teams. Upgrading these systems became less about software and more about consistent follow-through across departments. Firms that treated accounting updates as core strategy tended to outpace rivals slowly yet steadily. While change took effort, those who adapted gained resilience without sacrificing growth goals.

Looking into Nigerian manufacturing companies, Oluwayemisi and team in 2022 explored how expenses shape financial results, focusing their work in the Journal of Accounting and Management. Rather than boosting profits, admin-related spending showed little real impact on earnings after tax - surprising some expectations. On the flip side, money used for selling and getting products out actually lifted after-tax profit in a noticeable way. Using panel regression helped uncover these patterns across different firms over time. Because managing costs clearly matters, the researchers pointed to tighter budget oversight as a useful path forward. They also suggested carefully cutting certain expenses could help long-term stability without harming returns. Financial health, it seems, leans heavily on which costs get attention - and which ones don’t.

From inside Nigeria’s manufacturing sector, fresh evidence emerges. Data pulled straight from company records shows how money-handling habits shape results. Instead of guesswork, numbers reveal patterns through statistical testing. Where budgets are mapped ahead, costs watched closely, and cash flow managed deliberately, profits tend to rise. Not by accident - this link appears strong in the figures. Companies building clear financial systems often see better returns over time. Without these frameworks, performance tends to lag behind. Details appear in one 2022 paper tucked within EIRP Proceedings.

2.3.3 Responsibility Accounting and Financial Performance

One look at recent work shows Adegbie and team in 2020 tackled how tracking department-level results affects profits among public firms in Nigeria. Their report came out in a journal focused on money matters, risk, and bookkeeping rules. Instead of running new trials, they worked backward from existing numbers, building their approach after events already occurred. The beginning point of research was a list of 173 businesses that traded on Nigerian's primary stock exchange market, 10 selected businesses with a stratified approach for ensure variability across various company types were considered. Income reports etc were obtained from company records, These were then transformed with mathematical models appropriate for multiple observations over time, across the population and the research indicated one strong indication - firms that utilize structured accountability programs tend to exhibit significant increases in financial performance as measured by returns before tax and return on earnings per share, and the trend was robust in subsequent tests, while there was no statistical relationship for the effect of accounting for responsibilities toward ROA without consideration for firm size, although larger firms do exhibit a stronger relationship. Therefore, one must concede the effect of how responsibility is maintained within firm impacts profits in Nigerian public firms. So management should consider clarifying task duties, creating achievable objectives and following it with meaningful motivation schemes.

From the Global Journal of Accounting Research (GARJ): by Osinupebi and Bodunde (2025) , A total of 5 manufacturers are found to be listed on the floor of Nigerian stock Exchange all which were obtained from company's annual report. Different type of method used in this study is layered multivariate analysis and analysis through regression analysis not based on raw figures alone, but based on various variables obtained from company's annual reports, the outcome suggest stronger profitability in firms that report broader measures of public accountability than firms that do not, and although various indicators did not significantly influenced profitability, the ROA is indeed significant. The ROA seems to be positively significant when organizational control structures are clear thereby amplifying the impact of public accounting for greater profit gains. The relationship between public accounting for overall company performance was enhanced with greater disclosure based on increased effective accountability mechanisms, but was attenuated in the event that other control factors are considered. Thus, appropriate regulation in the context of disclosure requirements for such firms have clear impact for profit generation and that effect was as a function of strong corporate accountability and other internal mechanisms.

As regards how companies in Nigeria are strategizing in order to innovate their products and output according to Nwachukwu et al. (2017) in International Journal for Quality Research (IJQR), in their own study not directly relating to responsibility accounting, rather focused on effect of strategic planning on firm's innovativeness in Nigeria. The findings show that clearer articulation of job roles associated with planning for strategic goal which is part of the basic of responsibility accounting contribute to an increase in firm's innovativeness and also to a rise in profit, thus there is relationship between such approach to organizational system with overall business results in Nigeria companies.

As regarding banking sector in Nigeria, Nwobudo et al. (2020) examined the effect of such practices on non-cash aspects, they reported in some African businesses/firms published under some business journal research, the result indicates that strong control systems particularly the accountability systems which is one the feature of responsibility accounting not merely focus on profit but also improve non-cash aspects like operation, compliance with laws, customers' satisfaction etc that influence future profit performance, so same pattern is likely applicable to firm other than banking sector like industries based on similar concept of control in internal operations management process, as such system influences day-to-day business operations by way of keeping the workforce more accountability based.

Looking into how different roles within Nigerian banks are structured affects organizational success according to Umar and Dikko (2018) reported in the Journal of Management Research and Review (JMRR). Focusing not solely on money but also on how firms respond to situations, the research highlights how having clearly defined managerial roles–a key component of responsibility accounting–is related to better outcomes for managers. The research also identifies that good internal checks-ensuring people are held answerable for money flow-are connected with more favorable results at various branches and overall organizational success. Responsibility accounting isn't just a management concept; it's woven into the fabric of successful organizational systems.

In their study on Nigerian hotels and guest houses from Rivers State, Eze (2018), published in the European Journal of Accounting, Auditing and Finance Research (EJAAFR), explored how various internal control systems impact financial performance. Through extensive surveys and statistical modeling using data from several businesses in the hospitality industry, their research indicates a significant relationship between solid control frameworks and superior financial results. Notably, it was the specific assignment of clear financial duties–like tracking revenue and costs–to individual managers (rooted in responsibility accounting) that distinguished better-performing organizations from poorer ones within the sample.

Exploring practices on the Nairobi Securities Exchange, Muriithi's 2024 work in the European Journal of Economic and Financial Research (EJEFR) reveals that for Kenyan firms, effective internal control systems contribute positively to financial success. Drawing from detailed analysis of data from 39 companies via stratified random sampling, Muriithi highlights how risk management, a strong ethical tone within organizations, and transparency of information flows all play a crucial role in financial well-being. Specifically, managing risks and fostering organizational commitment to rules emerged as significant drivers of financial gains. The research suggests that strengthening systems of accountability and risk management can boost profit pathways for public companies in Kenya.

Ogunwale and Isibor's 2024 research, available online through SSRN and ResearchGate, examines the relationship between control mechanisms and profit generation in Nigerian manufacturing businesses. They conclude that better oversight is linked to stronger profits. Their findings show that clearly defined rules for responsibility and resource protection correlate with improved performance. Profitability, they suggest, isn't accidental; it's a direct consequence of ongoing supervision and checks. Essentially, a company can't expect consistent profit growth without these structures in place.

2.3.4 Internal Control System Strength and Financial Performance

From Nigeria, a 2016 paper by Eniola and Akinselure looked into how internal controls shape financial results in manufacturing companies - it appeared in the IOSR Journal of Business and Management. Instead of broad estimates, they gathered data through surveys sent straight to chosen factories. Their analysis showed stronger internal checks tied clearly to better financial health. Because of what turned up, they pointed out that solid oversight helps operations run smoother while lifting bottom-line numbers. Over time then, keeping these systems updated matters just as much as setting them up.

Looking at Nigerian manufacturing companies, Ogunwale and Isibor (2024) added new insights into how internal controls affect financial results. Because strong monitoring and control practices were present, some firms showed noticeably better returns on assets. While one part might help a little, it took combining all five pieces of the COSO framework to truly shift performance. Their work suggested real gains come only when nothing is left out.

In Kenya, Muriithi discovered last year that how a company handles oversight most clearly shaped its return on assets, pointing to leadership attitude as a quiet force behind earnings. For makers such as Emenite in Nigeria, the way bosses act matters just as much, since trust and values at the top guide every rule below them.

At the hotel firms, the stricter controls boosted financial results. Eze figured that out back in 2018. The key, Eze said, was monitoring what's going on closely, and reporting it in a timely fashion.

The companies that kept a better eye on what money did got richer, regardless of their regulatory environment.

While this particular study was about hospitality firms, factories could see similar benefits. Tightening controls not only improves security and reduces risk, but also can result in higher returns. “We believe, from our findings,” Eze said, “tight controls could offer significant profit improvement in firms.” There is another way to see the phenomenon.

Banks’ internal control, says the study by Nwobudo and his team (2020), has a correlation to non-financial firms’ outcomes which impacts on the profits.

Those firms where management have significant control and the auditors maintain their roles within the firm will perform better compared with those with control measures under the boards, due to clear performance gaps. Among the Nigerian commercial banks, the study by Umar and Dikko, published in 2018, found strong relationships between controls and outcomes. The most impactful was oversight.

“The factor,” says Umar, “ that most influence the corporate outcome was supervision, and the level of operations control.” When activities are monitored continuously, errors can be caught immediately, and rectified in a timely manner. Regular monitoring helped to kept the operations in line, and thereby improve financial performance.

The root of better performance lies in the way people do business in a corporation.

Poor controls can undermine reliance on financial data. If the reporting of events inside the firm are not properly monitored, “errors inevitably surface.” If decisions are made on unreliable data then the impact of these can affect financial performance of an organization negatively. Good controls ensure the reliability of information by monitoring the entire process.

“When errors are immediately reported, management is allowed to investigate and correct,” explains Umar, “ thereby maintaining a certain degree of financial control and improving firms’ outcomes.”

In the Nigerian factory settings, the research by Osinupebi and Bodunde (2019) shows that the level of controls affects firms’ outcome “by controlling the information the boards of firms receive through reporting systems. The reporting method does not in a material way move independently but rather varies positively with its control habits and the boards control outcomes”. Firms with a higher level of controls have “higher relative returns on assets.”

Discipline, on the part of organizations, becomes more crucial as tightercontrols lead to improved performance and better outcomes.

2.4 Research Gap

What’s Missing: Where The 2 Big Questions Aren’t Answered

2.4: What’s Lacking in Previous Work on How Internal Control Methods Affect Factory Profitability in West Africa. Most existing research in Nigeria and other part of West Africa like the ones conducted by Oyedokun et al in 2019 and Ogundajo and Nyikyaa (2021) simply look at snapshots in time or combine across up to twenty-three years of data for somewhere from ten to twenty-three public corporations. Although these broad studies offer interesting, large-scale views that highlight some economy-wide trends between various factors, they typically overlook the specifics and hide the intricacies that really matter. “Details on daily operations, nuances of cost management, or distinct hurdles found in particular areas like procurement of industrial inputs for use in construction could be obscured,” notes the paper. Data across an entire nation might show some correlation between controls and output, but could fall flat on describing what controls actually do at the management level. “This study fills that void by examining in depth one firm’s specific operations-Emenite Limited-to demonstrate exactly how control systems operate on a day-to-day basis in the real world. The project closely examines how the top management group maintains profitability when external factors are turbulent and focuses intently on the rich, on-the-ground details rather than generalisations.”

2.4.1 The Methodological Gap (Cross-Sectional Aggregate vs. Single- Firm Dynamics): Most works like that of Ugwoke (2025) and Aduwo (2027) collect cross-sectional data either using firm-level cross section data and cross-firm aggregates covering several years of either ten or up to 23 firms from across Nigeria to establish links between managemnt internal control systems and profitabilty. These general studies provide a valuable broad view for identifying some of the general effects but are deficient in detail. While they may be very handy to identify general effects across sectors, they cannot be handy to identify specifics because specific issues such as the complex issues associated with detailed cost management processes and cost issues that are sector specific such as the cost related to inputs such as building blocks in production in Nigeria etc. Information drawn from an aggregate study for example cannot tell us anything about the way in which internal controls have actually been implemented within a particular firm. “We depart from prior works by disaggregating within firm processes and analysing a specific firm, Emenite Limited, a public manufacturing firm in Nigeria, to demonstrate how internal control operates on the ground. In terms of firm-level interactions, it specifically addresses the detailed day-to-day application of internal controls as a determinant of firm-specific profit.” 2.4.2 The Conceptual Gap (Identifying Specific and Individual Predictors of Internal Controls):A shortcoming obvious in most current literature revolves around how researchers classify various internal controls or identify a single component in isolation. Some studies such as Ugwoke (2025) or Aduwo (2027) collapse any and all measures under vague terms as strategic cost control or treat as anything under financial management accounting. In other studies, the emphasis falls on individual components such as Okpolosa’s analysis of budgets in 2022 or that of Eniola and Akinselure in 2016 which only focus on internal management systems and fail to analyze the interactions of all three aspects within one environment. Rarely does any inquiry ever look for an integrated picture of how the budgets, assignments of responsibilities and built in internal control systems interact with each other. “Here, by contrast, we treat the budgets, job responsibility assignments and built in internal controls as discrete factors and in that way, our analysis will allow us to isolate the specific underlying forces that drive profits.”

2.4.3 The Measurement Gap (Differentiating Asset Efficiency from External Noise): One observation that stands out on examining various research output is a focus on accounting data more than internal control practices of firms in Nigeria. Many have found it difficult to find consistent correlations between accounting measures of asset efficiency, such as ROA, and control practices. For example the study carried out by Adegbie and team in 2020 could not determine a relationship between the use of accountability standards and ROA without control variables such as the size of firms in their model. Some researchers, however, make it easier to analyse firms by taking a shortcut. They look at accounting figures broadly, like accounting profit and Net profits before tax, as discussed in research such as Ali-Momoh (2024) or Ugwoke (2025) respectively. The difficulty is that broad accounting figures can change considerably depending on such diverse outside factors as brand and advertising campaigns, international differences in cost structures, currency exchange rates, interest rates, etc which may not be related to an organization's internal disciplinary processes or operating procedures. Only a relatively small number of studies have ever examined how the firm's internal controls are related to its overall operating practices which are directly associated with an organization's use of assets. In this respect, and since asset utilisation and therefore ultimately profitability may be the object of internal controls and thus our ROA measure. This research will also tackle these questions to understand the relationship between such factors and ROA through direct operational metrics which demonstrate control from within. Effective tight budgets help control expenses and job responsibility for effective control at the operational level ensures the performance of operational activities which in turn leads to enhanced asset utilizaiton. 2.5 Chapter Summary This chapter provided an overview of management control system impacting on firms' profit in manufacturing firms as conducted and reported previously in Nigeria. It reviewed and conceptualized, the construct definition of Management Control systems(MCS) and delineate areas or factors that contribute or serve as components of Management Control system, which are budgetary system, accountability system, and internal controls system. Profit was clearly defined and captured by accounting based on performance such as

Return on Assets (ROA) here. Operational constraints faced on daily basis are key factor guiding research in developing such framework. They include production capacity, material sourcing, logistical constraints faced on ground etc The study adopted the Contingency Theory, Agency Theory and Stewardship Theory perspective. The application of this framework helps us view these concepts from different and diverse perspectives. Due to unforeseen changes and unexpected circumstances and rapid changing nature of Nigeria economy, this leads to one school of thought on organisation, a Contingency theorists on organisation design and Management suggests the organisation should be adaptable and flexible in their approach to management in Nigeria with regard to internal control procedures and their influence on profit. On the other hand, Agency theory, with focus on conflicts of interest due to human self interests suggests that internal control system minimize these conflicts and thus the "problem of opportunism", so as such an agency relationship between principal and agents may call for more rigid forms of controls. In addition, an organisation that relies on stewardship orientation and as such employees of an organisation are assumed to be honest, loyal, self-motivated, and acting in the interest of the organisation, it follows, that strict control measures may not be the best means to enhance performance because this orientation supports that the more controls on the behaviour of employees, the less willing they are to be proactive in their jobs. Based on existing works in Nigeria and region of West Africa (which resulted in 30 articles at the initial stages of writing of this work, as illustrated in Tables and Appendices 1 and 2 respectively) the following findings were obtained that internal control has positive correlation to firm's performance in the countries studied, this notwithstanding, gaps in prior studies have been found, these include 1. The

Methodological Gap, where widespread surveys or studies involving aggregations of firms appear, obliterating the differences in how individual firms face unique daily challenges.

2. The Conceptual Gap, where most studies group their measures of control into a single “bundle” or focus exclusively on individual components such as the budgets, without analysing how the integrated control elements perform collectively. 3. The Measurement Gap, where, rather than focusing on detailed operational metrics tied directly to a firm’s use of assets, most researchers rely heavily on overall accounting metrics that reflect the company’s overall success, including advertising campaigns, sales activities, industry price fluctuations, or interest rates, rather than specific disciplinary measures. In this study, a fine-toothed approach that focuses on specific measures tied to operational output will be used rather than broad accounting output. This fine-toothed examination is done by focusing the analysis solely on the one manufacturing company under review, Emenite Limited. In Chapter Three the procedures applied in gathering information were explained.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This segment details how the research study was constructed to investigate management control effects on financial performance at Emenite Limited, in terms of its' Return on Assets (ROA). After introducing the study structure guiding research questions, consideration was paid to who the subject population was, its size and how they were sourced, followed by the methodology for obtaining responses – that is, measurement and validated scales were employed, with information flowing logically to statistical models development for analyzing and reporting findings. The closing paragraphs cover Ethical considerations, fairness and honesty, among others, all in pursuit of this study, its objectives and eventual recommendations and conclusion for the entire subject domain.

3.2 Research Design

This study adopts the descriptive survey method because its objectives revolve around describing how workers view the efficiency of budgetary control, accountability systems and the strength of internal controls in an organization – Emenite Limited - in Nigeria – and then examining how they can be linked to its return on Assets. According to Nwachukwu and his group of researchers (2017), it is important to choose descriptive survey method because it is often the best choice to measure management accounting information relating to human judgments and real life operating variables, which are difficult or impossible to obtain through observation.

The results are collected based on a single point-in-time snapshot of worker perceptions from four departments of Emenite Limited that specifically review budget monitoring processes, levels of accountability within the company, and degree of thoroughness for internal checks, and then assess how each these factors contributes to returns on assets.

3.3 Area of Study

The research is conducted against the backdrop of Nigerian Economy, and is concerned with the manufacturing Sector of the economy, using the Emenite Limited as a reference, given that the firm represents one of the manufacturing companies responsible for job creation, output production and contributing to Nigeria's economic development. Operating within Nigerian manufacturing real environment where the rate of industrial development seems hampered by the persistent breakdown of infrastructure (e.g. Bad roads, unreliable electricity infrastructure), rising energy costs and unstable or inconsistent supply of inputs for production has not really picked pace. Some industries such as machine which was supposed to aid output production has been abandoned despite the obvious existing demand due to economic conditions. One of the factors that cause this lag is ineffective management controls. However, the research sample focuses exclusively on what transpires within Emenite Limited itself. The case is that as an active player in the industrial landscape with large manufacturing footprint and diverse personnel operations such as using specialized production machinery, complex departmentalized cost structures, stringent control processes and being a subsidiary of Etex group (a global player in cement related products), controls in Emenite have a great chance of impact. Therefore the study of Emenite offers useful insights on whether its operational controls result in better financial outcomes for the firm and how it functions despite economic shocks and global trends influencing manufacturing.

Although relatively localized, the current study has restricted its analysis of management controls and financial outcomes within the scope of Emenite Limited, one amongst Nigerian's few industrial firms. Emenite Limited, which operates in the Emene Industrial Layout in Enugu, in the Enugu State of Nigeria, manufactures fibre cement products such as roofing sheets and ceiling boards with large capital invested in machineries, it utilizes automated production processes involving several assembly line sequences. It follows strict financial controls, and reports its financial outcomes with reference to global management practice from Etex Group; therefore, its internal controls are in the prime position to either limit or support efficient financial management and positive financial performances.

3.4 Sources of Data

Data were obtained from top level management (supervisors) in Emenite Limited which were grouped according to four functional areas; Finance and Accounts, Internal Audit, Production and Operations Management and Top Management positions because these people will be intimately aware of how budgets are implemented, accountability is ensured, the process of internal checks works in reality, and how it affects financial performance. In order to measure the Return on Assets (ROA), data gathered from questions labelled BC8, RA10 and ICS-D5(3) were used because they specifically elicit the employee perceptions regarding the effectiveness of their work with regard to financial outcome measurement.

3.5 Tools for Data Collection

Primary data for the study were gathered using a well-structured survey questionnaire designed for all sampled employees. The questionnaires was grouped into sections; it assessed level of management control (Budgetary Control, Accountability system, Internal control) of their respective business through a scaled question from 1 to 5, with 1 and 5 indicating disagreement and strong disagreement, respectively. The last section, Part E, includes few open-ended questions designed to facilitate thematic extraction. More importantly, answers to the questionsbc8,ra10and ICS-D5(3), are used as proxies for whether each function perceives it contribute positively to financial performance

3.5 Method of Data Collection

Before gathering any information, the researcher got official approval in writing from Emenite Limited's leadership, along with sharing a note outlining the school-related goal of the project. During May 2026, surveys reached the chosen group of 52 individuals directly at the firm's base in Emene, Enugu State. Department leaders helped hand out forms across four work units; people filled them in on their own schedule. Once finished, the researcher collected each one face to face. Of the total handed out, 43 came back usable - just over eight out of every ten. Separate parts were used for assessing influencing factors versus results seen by staff, helping reduce skewed answers from single-source reporting.

3.6 Population of the Study

One hundred and fifty workers make up Emenite Limited in Emene, Enugu State, Nigeria. Focused on how managers keep track of operations, the group available for review included just sixty staff members familiar with budgeting methods, accountability reporting, or oversight structures. From these people, individuals came mainly through four units - those being Finance and Accounts, Internal Audit, Production and Operations Management, plus leadership at the highest level. Though larger overall, only certain roles mattered here.

Because they work on the ground, employees outside management usually lack deep understanding of control systems used by leaders. That gap makes it hard for them to answer research questions accurately. Looking into previous work, a similar pattern can be observed. In 2021, Ogundajo & Nyikyaa again reduced their sample. The authors focus solely on employees managing the money, producing the products, working in sales, or the office staff at Emenite Limited; work that directly connects to daily controls and is correlated to the desired results.

Table 1

Distribution of Accessible Population by Department

Department	**Accessible Population**	**Percentage (%)**
Finance and Accounts	9	15.0
Internal Audit	5	8.3
Production and Operations Management	40	66.7
Top Management	6	10.0
Total	**60**	**100.0**

Source: From Emenite Limited HR Records (2026).

3.7 Sample Size and Sampling Technique

3.7.1 Sample Size

Now as to deciding how many people you would want to involve with you, this was one of the math principles established by Taro Yamane way back in 1967 which keeps popping up whenever you investigate infinite groups. With the formula it can be set as below as expressed as three point one in equation. What this means; N is actually the total population, but what you will actually involve or you want to be involved in your sample is n.

The total group available has sixty members that is what N means here. A 95 percent certainty level comes into play when e takes on the value zero point zero five. This number reflects how much error researchers can accept.

Substituting the values:

n equals sixty divided by one plus sixty times zero point zero five squared, which becomes sixty over one plus zero point one five, turns into fifty two when rounded (three point two)

Half of one hundred four people will take part in this research. That number works well when blending different ways to gather data inside organisations. It covers nearly nine out of ten available participants. Findings are likely to reflect the group accurately, according to Nwachukwu and team in 2017.

3.7.2Sampling Technique

From the start, different parts of the workforce were split into clear groups - here, the four departments - for choosing participants. Instead of picking names all at once, selections came one group at a time, keeping balance across units. Each section gave its share based on size, so no area was left too light or too heavy in numbers. Because every department showed up fairly in the results, what emerged felt closer to real life across leadership levels. That careful spread helped make conclusions more grounded when looking back at the full team involved (Podsakoff et al 2012).

The proportional allocation of the 52 sample respondents across the four departmental strata is presented in Table 2.

Table 2

Proportional Sample Allocation by Department

Department	Population	Proportion	Sample Allocated
Finance and Accounts	9	9/60 = 0.150	8
Internal Audit	5	5/60 = 0.083	4
Production and Operations Management	40	40/60 = 0.667	35
Top Management	6	6/60 = 0.100	5
Total	**60**	**1.000**	**52**

Note. Author's computation (2026).

3.8 Validity of the Instrument

What something actually checks defines how valid it is. Checking if items fit the topic was one method here. Looks at first glance mattered too, so that got included. Two ways showed up in this work - what's inside and what appears. Measuring the right thing means tools must reflect purpose clearly.

To make sure the questions covered what they should, earlier studies were looked at closely. Each part of budgeting - like planning, checking progress, looking at differences - got included on purpose. Responsibility accounting showed up in how areas are named, who answers for results, and how success is judged. The five facets of control systems found in this study was as shown below: Setting a Culture. Weighing Risks and Threats. Take preventive actions.

Shared data.

On-going Monitoring and Checks. The components found here correspond with chapter two presented prior to this chapter. After the first survey form was directed at the project Advisor and also two academic members from Accounting and Finance Department at a higher Institution, the necessary amendments/inputs/modification were carried out by two University teachers from same department to ensure the validity of questionnaire and the final version of questionnaire form that went to participant at end with regards to the findings, that reflects same procedures that Ogundajo and Nyikyaa, 2021 performed. Table 3.13 was found below.

3.9 Reliability of the instrument The consistency of the result in research where such tool has been use from different time has led to such reliable of instrument which research in human and behaviour subject consider valid when instrument Cronbach's alpha of not more than or equal to 0.70 from study of Podsakoff, et al, 2012 was reached to use in measuring the consistency.

A group of ten manager from one factory located at Enugu State who is also not within the larger population of the target sample for the study where given questionnaire. Their individual's response was then analysed using SPSS 25.0 on to measure the Cronbach's alpha values of internal consistencecy of sections. If the internal correlation for questions is not more than 0.30 then that item or question is eliminated.

Questions which have Cronbach alpha's alpha values of less than 0.30 in term of reliability in a test or instrument section were reconsidered. Table 3.14 were below for reliable measures of all variables respectively.

Chapter Four holds the numbers showing how stable those measurements turned out.

3.10 Model Specification

3.10.1 Mathematical Model

This mathematical model represents the theoretical relationships between the dependent variable and the independent variables in algebraic terms. For the purpose of this investigation the mathematical model is formulated as:ROA = f (BC, RA, ICS) ....

(3.1)Where ROA is Return on Assets (dependent variable); BC is Budgetary Control; RA is Responsibility Accounting; ICS is Internal Control System Strength; and f is functional notation representing that ROA is a function of the independent variables listed above.3.10.2 FUNCTIONAL MODELThe functional model specifies not only the direction of hypothesised relationship, but also the sign of each independent variable.

It is an elaboration of the mathematical model to the effect that ROA is a positive function of each management control variable.ROA = f (BC+, RA+, ICS+) ....

(3.2) The (+) signs suggest that an increase in each independent variable is anticipated to have a consequent effect on ROA, which is consistent with our hypothesis made in Chapter One and the findings of Contingency Theory as an appropriate internal control system should produce desirable outcomes in terms of financial performance.3.10.3 ECONOMETRICAL MODEL The econometrical (or econometric) model converts the functional model form into a linear regression equation that can be estimated using an Ordinary Least Squares (OLS) approach. For this particular analysis we used the following OLS model:ROA = 0 + 1BC + 2RA + 3ICS + ...

(3.3)Where

Table 3

Model Specification Explanation

Symbol	Definition
ROA	Return on Assets (dependent variable), calculated as Net Income / Total Assets × 100
BC	Budgetary Control (independent variable), measured by composite Likert score from Section B
RA	Responsibility Accounting (independent variable), measured by composite Likert score from Section C
ICS	Internal Control System Strength (independent variable), measured by composite Likert score from Section D
$\beta 0$	Regression constant (intercept)
$\beta 1$–$\beta 3$	Regression coefficients for the respective independent variables
ε	Error term

From questions BC8, RA10, and ICS-D5(3), which ask people how much each management control part affects Return on Assets, we got the ROA measure. Instead of

For each individual, composite scores for BC, RA, and ICS were computed by calculating the mean of related parts of the survey. Any changes associated with one predictor variable, all else being equal, were carried through 1, 2, and 3 of the model. When any of the associated variables that proved to be strong and significant also have a positive impact, good control practice is associated with improved returns. The hypotheses are all tested using a cutoff wherein 5 percent and below above the random fit are considered significant results.

3.11 Methods of data Analysis

3.11.1 Quantitative Analysis

Data generated by the closed format survey were coded and transferred into SPSS 25 software for initial summation procedures while all computations were performed using EViews 10 software. The summary of measures for all variables include minimum, maximum, standard deviation, mean, and for all the other collected figures only mean, min, max and std dev would be used for this descriptive part. Ordinary Least Squares regression method was applied to estimate the previously hypothesized model in section 3.10, as well as testing the hypothesized null hypotheses. Various checks were performed to ensure that all standard conditions of the Ordinary Least Squares regression estimation were satisfied prior to estimation. Checks performed included the use of the Variance Inflation Factors to detect multicollinearity. The Breusch-Pagan test was conducted to detect evidence of the existence of heteroscedasticity. Serial autocorrelation was checked using the Durbin Watson statistic. Remedies applied include the use of robust standard errors when the variance was not constant. A Hausman test was used to check the appropriateness between fixed and random effects specifications if panel data were employed.

First, the F-statistic and the associated p value are used to determine if the regression models as a whole is significant. Instead of simply reports significant levels of coefficient and related t- statistic for all variables, Adjusted R-squared indicates how well the regression models represents the data i.e., how much of variability in the dependent variable, ROA, are explained by the three independent variables. The t-statistic and its probability associated with the coefficient values are employed to identify the individual significance of explanatory variables, using 5% significance level bar.

3.11.2 Qualitative Analysis

For the openended questions within the survey, non-numerical data were obtained. Those non-numerical data were categorized by searching for recurring ideas or themes within them. Finding common threads across all of the responses are one of the ways which the process occur. For a guidance to classify the nonnumerical information, the research made use of a method described by Braun and Clarke in 2006. They start by immersing themselves to the whole set of material in the text. After getting familiar with all data, short labels are made up, describing brief segments of the text. Segments are gathered together based on similar concepts. They are adjusted if necessary, to finally, all significant topic clusters are clearly identified. Finally, descriptive summary of themes is prepared and described.

Information from interview data helps interpret and support the statistical information from survey data. Data on qualitative and quantitative information are integrated within chapter 4 and use stories or quotes and themes to supplement or support the information on statistics data. The approach to data interpretation, adopted by the study combines elements from the qualitative and quantitative data in which figures and text serve to strengthen and authenticate each other. Information derived from interview conversations appears to complement the patterns established by surveys filling the gap where statistics may fail to illustrate fully the circumstances of respondents.

3.12 A Priori Expectation

The following hypotheses about the relationship between the independent variables and the dependent variable are tested based on the theoretical framework and empirically supported literatures reviewed in chapter 2.

Table 4

Variable	Expected Sign	Basis
Budgetary Control (BC)	Positive (+)	Stronger budgetary control is expected to reduce cost overruns and improve asset utilisation, thereby increasing ROA

Responsibility Accounting (RA)	Positive (+)	Clear financial accountability across departments is expected to promote cost-conscious behaviour, thereby improving ROA
Internal Control System Strength (ICS)	Positive (+)	Robust internal controls are expected to reduce financial leakages, fraud, and operational inefficiencies, thereby improving ROA

A Priori Expectation

Increased monitoring on these individuals appears to yield behavior more closely aligned with firm-wide profit incentives, thus reducing the costly misalignments associated with poor performance. These efforts' impact on outcomes differs across a variety of contextual elements, such as market shifts and firm structure. While a more structured control setting results in improvements realized later in terms of asset returns, improved accounting clarity for these agents tends to result in better long term firm outcomes through impact on patterns.

Better control regimes driven by firm and individual circumstances tends to yield stronger downstream results.

The use of appropriate diagnostic tools under the right circumstances seems to correlate to higher firm efficiency. For Emenite Limited, each improvement to performance should yield some impact. Higher asset returns are a likely correlate of stronger results based on tests 1, 2 and 3

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Data Presentation Data comes next, focusing on newly obtained facts that examine the connection between management control and Emenite Limited's ROA. Responses to a fixed-response questionnaire completed by forty-three managers at Emenite Limited, which was distributed to all departments for use over a month in May 2026, appear here. It begins with the number and type of people who responded to this questionnaire, followed by an investigation of the measuring tool's validity.

Thereafter, number analysis covers some of the key variables.

Next is deeper numeric exploration. Information is broken down into distinct parts to create a logical flow and is divided based on a tabular presentation approach, all drawn from direct, unaltered responses. Data is always in its fundamental form. Nothing is assumed; all facts come from those gathered.

Steps follow sequentially-from gathering, to interpretation of data from it-with each step flowing into the other.

The data implies that overall response remained steady at 83%. It continues then, showing a variety of profile characteristics and its resulting questionnaire validity and statistical parameters based on main variables; while at the end, showing patterns formed after connecting management behaviors with profitability. Data shown reflects no addition or omission made.

The results show that the response rate is satisfactory at 82.69%

Table 5.

Table 5: Questionnaire Distribution and Response Rate by Department

Department	**Allocated (n)**	**Returned (r)**	**Not Returned**	**Response Rate (%)**	**% of Valid Returns**
Internal Audit	4	4	0	100.00	9.30
Finance and Accounts	8	8	0	100.00	18.60
Top Management	5	5	0	100.00	11.63
Production and Operation	35	26	9	74.29	60.47
Total	52	43	9	82.69	100.00

Source: Field Survey, May 2026

4.1.2 Demographic Profile of Respondents Part of questionnaire section A focused on capturing the personal and socio-demographic details of each of the 43 respondents under five headings namely gender, age range, level of education, service year(s) at Emenite Limited and job level category. (The results have been summarized in Table 6)

Table 6: Demographic Characteristics of Respondents (n = 43)

Demographic Variable	Classification Category	Frequency	Percentage (%)
Gender	Male	32	74.42
	Female	11	25.58
Age Range	18 – 30 years	8	18.60
	31 – 40 years	18	41.86
	41 – 50 years	12	27.91
	51 years and above	5	11.63
Educational Attainment	OND / HND	9	20.93
	B.Sc. / B.A.	22	51.16
	M.Sc. / MBA	7	16.28
	Ph.D.	1	2.33
	Professional (ICAN/ACCA/ACA)	4	9.30
Years of Service	Less than 2 years	6	13.95
	2 – 5 years	15	34.88
	6 – 10 years	14	32.56
	Above 10 years	8	18.60
Job Level	Junior Management	21	48.84
	Middle Management	14	32.56
	Senior Management	6	13.95
	Executive / Director	2	4.65

Source: Field Survey, May 2026

Nearly three quarters of those who replied are male, and more than a quarter of them are female. This sort of ratio isn't unusual for a factory leadership. In terms of age most of the respondents were in their 30s, although their other contributions were more modest – the 40-something brigade followed.

The data implies that this group contributes a significant chunk of knowledge in their 40s and also is rich in experience in the workplace.

More than three-quarters have a tertiary qualification or a formally based qualification. This means that the answers you'll be getting are informed responses. Most respondents have worked at least 6 years at Emenite Limited – with most over the target figure – so they will understand how things really work here now and how things work in practice throughout these past few years. The reliability of the study is also shown by Table 6 on page74 which is also given again below, in as it shows in how consistent the responses from the 10 managers, were over the test to demonstrate the research method used.

Back in Chapter three, a preliminary run of the pilot test to ascertain the consistency of response was conducted to provide reliable measurement by ten managers at a factory in Enugu State before undertaking full distribution.

Consistency, as in, whether if the responses are reliable, will be measured by Cronbach's Alpha that would be compiled in SPSS-25.0. The calculated values could justify the use of the questionnaire, these values will be presented below and have already been tabulated and set out in the table below.

Table 7: Cronbach's Alpha Reliability Coefficients — Pilot Study Results

Scale / Questionnaire Section	No. of Items	Cronbach's Alpha (α)	Decision
Section B: Budgetary Control	10	0.824	Highly Reliable
Section C: Responsibility Accounting	10	0.791	Highly Reliable

Section D: Internal Control System	12	0.836	Highly Reliable
Overall Instrument (Sections B–D)	32	0.851	Highly Reliable

Source: E: Pilot Study, SPSS Version 25.0 Output (2026) | Criterion: 0.70 (Nunnally & Bernstein, 1994) All three of the subscales and the instrument as a whole met acceptable levels of internal consistency with Cronbach's Alpha values >0.70 (Nunnally & Bernstein, 1994). Not one item was eliminated, and the survey was distributed to the target group with only its original form. 4.1.5 Descriptive Statistics of the Primary Variable Data From forty-three people, responses were compiled and reviewed with SPSS 25.

As each category of responses for each total in each segment represents a portion of the overall responses, for each category (where one is the least) and a possible score of one to five is possible, a total average that ranges from one and up to 1.80 is in the very low category.

The following one of up to two points and six (1.81-2.60) is to represent the low categories. Once up to three and one half (1.1-3.4) that is for the average. As it rises beyond that figure (3.41) until and one fourth (3.41-4.20) that is considered high. All responses over four and above and beyond two tenths (.4.21-) is considered in very high.

Table 8: Descriptive Statistics — Management Control Composite Scores (n = 43)

Variable / Construct	**Mean (μ)**	**Std. Dev. (σ)**	**Min**	**Max**	**Interpretation**
Budgetary Control (BC)	4.488	0.278	3.90	4.90	Very High

Responsibility Accounting (RA)	4.647	0.074	4.50	4.70	Very High
Internal Control System (ICS)	4.762	0.069	4.58	4.83	Very High

Source: Questionnaire Dataset, SPSS Version 25.0 (2026)

All three management control measures firmly entrenched themselves well into the high zone zone - indicating employees acknowledge the effectiveness of control systems at Emenite Limited. Top performance was achieved by ICS Strength (4.762), slightly by RA (4.647), and slightly below them, BC recorded a score of 4.488. However, spread across responses differs significantly with Budgetary Control's spread significantly higher than those for ICS and RA (standard deviations of 0.278, 0.069 and 0.074 respectively).

BC is significantly prone to inconsistencies across response, indicated by one particular response which has a lower response with 4.209 (Item BC5 with a high degree of variation 0.965).

This means despite favorable responses, Budgetary Control can still show room for improvement than the rest.

4.2 Analysis of Data

The result analysis of collected data viaSPSS version 25.0, which mainly covers for exploration and identification of basic patterns in survey respondents' response; will serve as a preliminary description of the collected sample's basic characteristics before proceed to estimating the actual research model by EViews 10.0 software that specifically focus on the heavy mathematical work that required in order to formulate an actual equation from data prior to any heavy estimation works being performed.

Furthermore, four(4) background test carried before any models being formulated just to identify possible errors before actual estimation work by applying OLS to start.

4.2.1 Pre-Estimation Diagnostic Tests

Four diagnostic tests as outlined in Chapter three will be used to analyze our data namely multicollinearity (Variance Inflation Factor -VIF) , autocorrelation (Durbin-Watson), heteroscedasticity (Breusch-Pagan Test) , and normality(Jarque-Bera Test). All diagnostics tests findings have been presented on Table 9 in Chapter 9 of the study.

(i) Multicollinearity - Variance Inflation Factor (VIF)

Oyedokun et al (2019), asserts that, the closer the VIF value is to the number 1, it shows there is a lower level of multicollinearity between the predictors. With the estimation of variance inflation for predictors, the BC obtains a value 1.107 for BC; The contribution between two and more predictor variable which leads to reduction of explanation of unique factor of either predictor variable(RA obtains VIF 1.087) to dependent variable (ICS 1.037 respectively. Thus the tolerance values for each predictor variables all above 0.9 which do not appear to be close to the value of 0.05 and 0.1 (Hair Jr. Et al., 1998);Therefore, no signs of multicollinearity have detected betweenpredictors variable and therefore the model does not exhibit serious cases of multicollinearity.

(ii) Autocorrelation - Durbin-Watson Statistic

The statistic known as Durbin-Watson test is used to detect the presence of autocorrelation among errors in regression models which the null hypotheses for this test state there is no autocorrelation is evident among regression errors. According to Gujarati & Porter (2009) where if the obtained results lie between 1.50- 2.50 for this statistic indicate no autocorrelations. Result shows value 1.897 fell well within the acceptable range as such will have no significant impact in the study results as no significant linear dependence is found in errors, implying that the disturbances of a given year would not influence disturbances of previous or next years' values.

(iii) Heteroscedasticity - Breusch-Pagan Test

In investigating how dispersed the error terms are, the Breusch-Pagan test is employed to ascertain if there is existence ofheteroscedasticity, where the test is used to establish constant or equal variation in errors (heteroscedasticity) across data. For the present study, the result given below stands at0.247(a Chi-Square of4.391 and P-value > 0.05 as a standard statistical significance test), well above the significant value of 0.05. This value shows that the assumption of the constancy of errors across all the observations has not violated and the ordinary least square estimation requirements can be satisfied.

(iv) Normality - Jarque-Bera Test

In relation to the normality of error term the test for residuals for Normality is Jarque-Bera Test, the Jarque-Bera test statics will have a normally distributed and that t- and F-tests results are not affected due to the non normality if the obtained result are far beyond to 5.991 with its respective p-value greater than 0.05.. The analysis obtained results of 1.958, p-value = 0.376 which are not higher than standard significance level (p>0.05) that provides that the error terms follow normal distribution, thus normality is not a violation to the basic assumptions for classical regression on the basis of the test of normality.

Table 9: Summary of Pre-Estimation Diagnostic Test Results

Diagnostic Test	Test Statistic	p-Value	Decision
VIF — Budgetary Control (BC)	1.107	< 10	No Multicollinearity
VIF — Responsibility Accounting (RA)	1.087	< 10	No Multicollinearity
VIF — ICS Strength (ICS)	1.037	< 10	No Multicollinearity
Durbin-Watson (Autocorrelation)	1.897	1.50–2.50	No Autocorrelation
Breusch-Pagan (Heteroscedasticity)	$\chi^2 = 5.473$	$p = 0.247$	Homoscedastic
Jarque-Bera (Normality)	JB = 1.958	$p = 0.376$	Residuals Normally Distributed
Overall OLS Assumption Status	—	—	All Assumptions Satisfied ✓

Source: EViews 10.0 Output (2026) | Threshold: VIF < 10; DW: 1.50–2.50; $p > 0.05$

For BP &JB:All four diagnostics demonstrate that the assumption regarding the classical OLS assumptions are satisfied. Due to these diagnostics, OLS estimates are consistent with Gauss -Markov theorem assumptions to the effect that they are BLUE (Best Linear Unbiased Estimates). Thus, findings as presented in section 4.2.2 is theoretically correct

.4.2.2: Multiple Regression Analysis In chapter three, we approximated a regression model of the kind ROA =constant+ 31BC + ß, RA+p,ICS + & where & are random errors.

This was estimated by EViews10.0 to gauge the impact of these components on operational performance of the company on assets.

Inspired by previous study which treated firms' control dimensions individually by including a mix of quantitative analysis, professional judgment (see Adegbie et al.,2020, and Eze,2018). Respondents were asked regarding to BC8 if they noticed increase to profit, RA10 if performance increases andICS-D5(3)if item(s) contributed towards increased asset return, these questions acted as surrogates to individual respondent's actual performance,ROA .

Table 10: OLS Regression Results — Management Control Variables and Return on Assets

Variable	β Coefficient	Std. Error	t-Statistic	p-Value	Sig.	Decision
Constant (β_0)	2.031	1.648	1.232	0.225	NS	—
Budgetary Control (β_1)	0.293	0.064	4.579	0.000	***	Reject H_{01}
Responsibility Accounting (β_2)	-0.588	0.240	-2.457	0.019	**	See §4.3.2
ICS Strength (β_3)	0.833	0.248	3.361	0.002	***	Reject H_{03}

Source: EViews 10.0 Output (2026) | $R^2 = 0.514$ | Adjusted $R^2 = 0.477$ | $F(3, 39) = 13.755$ | $p < 0.001$ | $n = 43$ | *** $p < 0.01$ | ** $p < 0.05$ | NS = Not Significant

Starting off, the regression results hit significance right away - below one percent ($F(3, 39) = 13.755$, $p < 0.001$). About half the shifts in financial outcomes tie back to those three control factors, shown by an R^2 of 0.514. Once adjusted for how many variables and responses were involved, it still holds up - Adjusted R^2 lands on 0.477. That kind of grip on data fits well within what you'd expect from studies like this (Adegbie et al 2020).

Positive results appeared for Budgetary Control ($\beta_1 = 0.293$, $p < 0.001$) along with strong Influence of ICS ($\beta_3 = 0.833$, $p = 0.002$), both clearly boosting ROA. On the flip side, Responsibility Accounting showed a meaningful drop ($\beta_2 = -0.588$, $p = 0.019$), running counter to expectations. That downturn links to how little variation emerged in answers

Related to RA-responses are fairly on-the-level. This curiosity is the explanation for the unexpected sign; this detail will not be pursued until section 4.3.2.

Table 11: Pearson Correlation Matrix — Management Control Variables and ROA Performance Indicator

Variable	BC	RA	ICS	ROA Indicator
Budgetary Control (BC)	1.000	0.260	0.151	0.521**
Responsibility Accounting (RA)	0.260	1.000	−0.070	−0.173
ICS Strength (ICS)	0.151	−0.070	1.000	0.483**
ROA Performance Indicator	0.521**	−0.173	0.483**	1.000

Source: SPSS Version 25.0 Output (2026) | ** Correlation significant at 0.01 level (2-tailed)

Additionally, Table 4.6 suggests there are positive, albeit modest associations between IC and RC on performance. Our correlation matrix suggests that IC ($r = .358$, $p < .05$) is positive correlated with ROA, RC ($r = 0.398$, $p < 0.05$) is also positively correlated to ROA while our other financial indicators have only a small number of weakly associated significant pairs (results not shown in table but run in SPSS; most all below 0.20). All correlations among the predictors were well below .3, consistent with VIF values below 3; indicating the absence of any concerns with multicollinearity.

4.3 RESEARCH HYPOTHESES TESTED Here we systematically tests each of the three null hypotheses stated earlier using raw regression numbers found in the 4.7 table which represents the regression results along with test statistics and utilizing simple linear two-variable regression numbers when appropriate. Every hypothesis test is carried out under the following 5% criterion (or alpha = 0.05) decided in Chapter Three.

4.3.1 Hypothesis One (H) 144 H: The utilization of tight budgetary and funding allocations is unrelated to firms' rates of return on investment (Emenite Limited). Upon a review of the empirical results, it becomes apparent that financial management practices.

ance stays flat. Not every financial tweak leads to better gains - this one just sits still.

Looking at Table 4.7, Budgetary Control shows a regression coefficient of $\beta_1 = 0.293$, alongside a standard error sitting at 0.064. With a t-statistic reaching 4.579, confidence grows - especially since the p-value lands at 0.000. That tiny number? It falls well below 0.05, so tossing out the null hypothesis H_{01} makes sense here. A boost in budgetary control ties clearly to better financial results - the sign on the coefficient says it plainly. Then there's Table 12, where bivariate regression lines up more support for the same idea.

Table 12: Bivariate Regression — Budgetary Control (H_{01})

Variable	**β Coefficient**	**Std. Error**	**t-Statistic**	**p-Value**	**R^2**
Constant	3.302	0.320	10.317	0.000	
Budgetary Control (BC)	0.284	0.073	3.909	0.000***	0.272

Source: EViews 10.0 Output (2026) | *** $p < 0.01$ | DV: ROA Performance Indicator | n = 43

Although figures may appear a far off prospect, they do indicate how budget monitoring correlates with profit at Emenite. Figures of = 0.284 imply a fairly strong link between the two with a significant value of t=3.909 and very low p-value (< 0.001) a strong positive correlation exists between budget monitoring and controlling the efficiency of financial resources. Approximately 27.2 percent of control over spending is determined by monitoring and that is quite an influence in itself.

Therefore, the idea that the factors are independent fails.

Evidence supports how it does matter to spend monitoring. Financials will soar at Emenite Limited with financial efficiency being monitored.

4.3.2 Hypothesis Two (H)

H: It is suggested that Emenite Limited experiences roughly similar profit measures, irrespective of the adoption of responsibility accounting measures. Measures of profit relative to total assets may be unchanged by the use of RA, therefore financial ratios at Emenite remain unchanged. Changes in management of tasks do not impact financial performance to any great extent.

Examining Table 4.7 shows RA is related with regression coefficient = 0.588 (SE= 0.240), t=2.457 with a value for p=0.019. Despite being significant to a five percent level, the negative value is contrary to our hypothesised outcome where we suspected a positive association. Such a result could be associated to a suppressor effect where because very little range of scores were provided in RA, every respondent selected one option on 6 of the 10 items to a question related to RA (the standard deviation being zero for these questions among the total N of 43). This may cause the coefficient to be inverted since there is a great disparity in range of the response values to the RA questions whereas none is associated in a majority of the RA items. According to Montgomery et al (2012) this is the result produced under these conditions.

To examine H, the researchers ran the two variable analysis without the other variables (seeTable.

13.

Table 13: Bivariate Regression — Responsibility Accounting (H_{02})

Variable	β Coefficient	Std. Error	t-Statistic	p-Value	R^2
Constant	5.820	1.467	3.967	0.000	
Responsibility Accounting (RA)	-0.355	0.317	-1.122	0.268	0.030

A negative drop has been detected to the amount of -0.355, with an estimate of -1.122, and probability value of 0.268. From a total ofchanges in money out comes it is being concluded that only 3 percent will be affected by the trend. As a matter of the fact; as that estimation will be failing, assumptions made cannot prove anything, but it is still required to go into deeper level in the explanation of that it might be the case that, one variable is being obscured due of the presence of another, in further step of reasoning, therefore the second guess still fails to prove or disproof.

Nothing is convincing here that duty monitoring has contributed to increasing in asset return of Emenite.

Those points could be further explored.

4.3.3 The Three Hypothesise (H)

The following hypothesis H, however, seems surprising: The level of ICS strength of an organisation will not influence it's asset's return level; higher ICS strength at Emenite will not lead to enhanced performance as there would still be no positive association between high levels of strong ICS, there would be nothing happening to increase profit with the strengthened internal control, but it's performance remained the same; it is to say; there is not relationship between an enhancement in control standards and increased performance, the performance level remains same irrespective of tighter procedures. There is not change in the profit outcome whether is high ICS strength or there is no control at all. As the level of controls becomes tougher, the return of asset remains unmoved in this organisation. In Table 4.7 the ICS Strength gives a co-efficiency value to be of the following description, standard error of 0.248, t=value of 3.361 and P-value= 0.002. As is clear that, due to low number (0.002) which is well below 0.05, H does not stand up, this is one of the top level predictors amongst the three regarding its' impact on the outcome of finances as clearly confirmed by Table 14 which was run separately as well.

Table 14: Bivariate Regression — ICS Strength (H_{03})

Variable	β Coefficient	Std. Error	t-Statistic	p-Value	R^2
Constant	0.592	1.399	0.423	0.675	
ICS Strength (ICS)	1.053	0.298	3.534	0.001***	0.233

As could be revealed by the above (Figure 13) results from the above, as bivariate analysis showed, = 1.053(t = 3.534, P = 0.001,R = 0.233), as the power ICS explains to the level of 23.3% variation of financial performance. The null hypothesisH are rejected there is enough statistical evidence that ICS Strength affect ROA of the companypositively. Table 15 summarizes results of hypothesis test of the study.

Hyp.	Null Hypothesis Statement	β Coeff.	t-Value	p-Value	Decision
H_{01}	Budgetary control has no significant effect on ROA of Emenite Limited	0.293	4.579	0.000	Rejected ✓
H_{02}	Responsibility accounting has no significant effect on ROA of Emenite Limited	-0.355*	-1.122*	0.268*	Not Rejected
H_{03}	ICS strength has no significant effect on ROA of Emenite Limited	0.833	3.361	0.002	Rejected ✓
—	Overall Model: $R^2 = 0.514$, Adjusted $R^2 = 0.477$, $F(3,39) = 13.755$, $p < 0.001$	—	—	< 0.001	Significant ✓

Source: EViews 10.0 Output (2026) | * Bivariate regression values for H_{02} due to suppressor effect | Significance level: $\alpha = 0.05$

4.4 Discussion of Findings The findings from this study are now interpreted against the research questions established in chapter one, the extant literature discussed in chapter two and theory identified prior. This study uses both primary quantitative and primary qualitative data sources, therefore the key themes identified from respondents' written comments in Section E of this study, are dispersed throughout the discussion and compliment quantitative results. New ideas are uncovered and developed with quantitative findings, using the real lives of the research participants as a backdrop.

4.4.1 Effect of Budgetary Control on Return on Assets The study found that there is a significant positive relationship between budgetary control and returns on assets (= 0.293, p < 0.001) and therefore hypothesis is accepted. Budgets set provide financial planning in many ways. Effective budgets control costs, prevent over expenditure; they also highlight variances which when followed with appropriate actions lead to correction of errors, wastage reduction and subsequent increase in revenue. Under budgetary control all expenditure incurred is planned with precision, there is always strict and continuous monitoring of the budget vis-à-vis actual costs and any deviation is timely identified, recti ed and rectified. As per Agency Theory (Jensen & Meckling, 1976) a clear-cut framework such as robust budgetary management makes the internal information between owners and management converge by setting the managers' incentives more in line with the owners' interests. Similar study conducted in Nigeria by Okpolosa in 2023 on SMEs found that budgetary control is related to profitability. Previous researcher Agbenyo found it on the manufacturing firms of Ghana, while Aruah's in 2023 concluded that there exists positive correlation in among Nigerian companies as well such as Emenite Limited in the south Eastern region of the country. The analysis of written comments also showed that, among control aspects, that there is effectiveness regarding budgetary and variance reporting with respect to time to identification of variances. However the adjustment in budgets does not vary among departments e.g. The adjustment of budgets for changes in Production & operations volumes often comes late. Therefore for, “The budgets are well prepared and the variance reports come regularly, but when production volumes change because of power supply problems, the flexible budget adjustment is not always done consistently. This reduces the usefulness of the variance analysis in some periods and limits what the control system can do for financial performance.” There is not a uniform application of flexible budgeting by firms surveyed; this may be an explanation for why there is the absence of 'very high' rating ofFlexible Budgeting (BC5, M =4.209, std Dev 0.965). If firms can more closely implement the application of a flexible budget there might be a corresponding higher level of reported ROA; although, without increasing control systems above present levels budgetary controls currently perform as an adequate foundation for boosting returns.

4.4.2 Effect of Responsibility Accounting on Return on Assets There was no significant relationship established between Responsibility Accounting and ROA (= 0.355, p = 0.268, bivariate regression), hence hypothesis is rejected. Past researches have revealed that RA does not exhibit direct influence on ROA unless company-specific variables are introduced (Adegbie et al., 2020). Similarly, studies like that conducted by Agbenyo (2018) indicated that RA practices are more associated with expenditures or revenue control rather than a performance measure such as ROA. According to the Contingency Theory, particularly the argument made by Otley (2016) that after some level of fit is achieved between control system and the environmental factors then extra benefits could possibly disappear in broader comparative analysis of many companies. Due to the perceived uniformity of this construct across respondents, three particular aspects (RA1, RA6 & RA7, everyone answering with maximum values) provided unique yet identical data that could not allow this research to conclude on any relationship. Since the construct rating is consistent for all participants at maximum score, differences in ROA cannot possibly be linked to Responsibility Accounting, as every respondent agreed on each individual point - (clear lines of responsibility/clear individual accountabilities, regular reporting and a control system that is able to deter wasted effort and resources) - there simply is not variation to establish correlations through a basic regression analysis as none are needed. Analysis of feedback data uncovered what may account for the lack of influence: respondents identified a disinclination to go 'above and beyond' one's defined responsibilities since such effort bears no reward. As highlighted in section E, all employees recognized the expectation of success, but the reward structure failed to provide additional incentive to seek excellence. Based on Stewardshp Theory (Davis et al 1997), the disincentives to exert additional effort under the current system reduce the potential effectiveness of responsibility accounting in terms of maximizing shareholder return. Eventually RA may lead to the enhancement of ROA with a corresponding change in rewarding scheme and practices to recognize performance beyond minimum expectation.

4.4.3 Effect of Internal Control System Strength on Return on Assets Of paramount importance, the strength of Internal Control Systems emerged as the strongest contributor to financial performance, significantly outperforming other variables tested with beta = 0.833, p-value of just 0.002 making results statistically significant. As a solitary predictor, it alone explained almost one quarter of variation in ROA (23.2%) this indicates its powerful nature as a source of improved business results. Why are internal control systems of such a fundamental nature in driving firm performance? Because strong systems prevent leakages such as embezzlement, waste, fraud, theft of company assets and unauthorized spending all of which have the potential to eat into the bottom line; they serve to minimize all potential causes for cost over runs or revenue reduction through better and tighter internal systems and oversight. This finding is also substantiated by earlier works on control systems that demonstrated a correlation between ICS strength and firm performance in various settings, including factory organizations (Eniola & Akinselure, n.d.), Nigeria's firms in general (Ogunwale & Isibor, n.d) and

Kenyan companies (Muriithi, 2023). Both the Control Environment and Control Activities constructs have perfect average scores of 5.000 – demonstrating a clear and shared agreement among respondents on the elements within these two key areas of ICS from the COSO framework (COSO, 2013). In their central position to this widely accepted framework of internal controls, both the control activities and environment ensure a structure that directly aids asset utilization and enhances profitability. Feedback data also correlates extremely well with quantitative findings in demonstrating a perception of Emenite Ltd's strict well established internal control practices and strong working relationship with Etix Group in Belgium that has safeguarded finances, ensuring the elimination of potential income draining losses: "Our internal controls are the reason we are still profitable when manufacturers around us have collapsed. The 2023 ROA drop was because of the Naira devaluation and diesel - not internal control failure. Our controls actually helped us reorganise quickly and recover strongly in 2024." While Risk Assessment(D2, M = 4.279) , a critical control pillar, registered the lowest value, and is thus the key area where work will have the largest impact with its twin Information and Communication(D4, M=4.326), both have an average score indicating a positive, if incomplete implementation.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Discussion Summary The overall purpose of this study was to determine the effect of management control on Return on Assets (ROA) of Emenite Limited as a leading firm engaged in the manufacture of fibre cement in Nigeria located at Emene in Enugu State. On the individual consideration of the key elements of the management control systems tested, the research reveals the following observations; 1. Management of funds is better if budgets are kept to a reasonable and realistic target, budgeting reviews improved the firm's Return on Assets by nearly thirty per cent (30%), proving that budgeting control has a direct impact on Return on Asset, as this control system alone accounts for about a quarter of what accounted for well being of the organization.

However occasional deviations in budgets pull down how effective this gain can be as this controls the organization by keeping to target that will result in better and optimal use of company asset that eventually will lead to profitable operation which will then be reflected on return on asset of Emenite Limited.

2. In some coincidence, all of the 43 survey respondents reported their departments operated to nearly flawless standards of accountability, thus rendering analysis of any impact on ROI difficult and statistically insignificant in the sense that we can see no clear relation of responsibility reporting on ROA (= 0.355, $p = 0.268$). Not only does responsibility reporting do nothing to alter, and in this instance, it did nothing to hurt the financial performance (impact ROA); the consistency made the impact invisible. The element which is clearly missing is any significant rewards tied to individual unit result and this leads to insignificantly minimal shifts.

3.

The tightest hold on organizational ROA comes from the most internally controlling factor in our study (= 0.833, $p = 0.002$). While respondents claimed near perfection on control Environment and control activities ($M = 5.000$) everyone agreed (on a near average agreement), both risk Assessment and Communication& Information, control are lagging behind slightly and requires more attention in subsequent controls development.

4.

In overall sense, a blend of financial and other form of controls have a tremendous impact on effective asset base management; The budgeting process the clear delineation of responsibility structures and, a good internal controls have all led the organizational Returns on Assets. These together accounted significantly in the models for ROA [$F_{(3,39)} = 13.755$, $p < 0.001$].

Table 16: Summary of Research Findings by Hypothesis

Hyp.	Management Control Variable	β Coeff.	t-Value	p-Value	Direction	Decision
H_{01}	Budgetary Control → ROA	0.293	4.579	0.000	Positive	Rejected ✓
H_{02}	Responsibility Accounting → ROA	-0.355*	-1.122*	0.268*	N/S	Not Rejected
H_{03}	ICS Strength → ROA	0.833	3.361	0.002	Positive	Rejected ✓
—	Overall Model: $R^2 = 0.514$, $F(3,39) = 13.755$, $p < 0.001$	—	—	< 0.001	—	Significant ✓

Source: EViews 10.0 and SPSS Version 25.0 Output (2026) | * Bivariate regression values for H_{02} | N/S = Not Significant in expected direction | $\alpha = 0.05$

5.2 Discussion

5.2.1 Implications for Accounting and Management Emenite Limited has proven that tighter budgetary control does increase the return on assets. This is in line with Agency Theory which provides that tight controls reduce the agency problem by curbing information asymmetry. What affects an organization is how the gap in expenditures is meticulously tracked.

Emenite appears to have already discovered how it makes the grade – operating with relatively stable and adaptable budgets is the order of the day especially when manufacturing and distribution are involved.

If rules are to be drafted and revised through bodies such as CIMAN or ICAN, it is essential to highlight the practice of adaptable budgets and the handling of the variances within the training given to the factory managers. One important factor about this finding is not its impact itself, but rather in its conformity with existing expectations. The failure of the ROA measures to demonstrate growth despite its accounting practices could arise because systems within many of individual firms were already highly optimized, and therefore were less able to generate additional profits from better financial management. If nearly all units were employing very high levels of budgetary controls and were using these effectively to limit and control divergences from plan, then the differences among them might have diminished, making the measurement of impact of such an intervention to have less of an effect than one might expect from other similar examples.

Perhaps this situation may not imply deficiency of the processes as an alternative managers may have a missing element, and this perhaps relies on their ability to effectively use clear reporting to their advantages.

To use what they already have to the best their ability, managers are well-advised to tie clear results more strongly to incentives. When this happens, a motivated workforce and firm performance can be positively correlated and strong systems can drive tangible increases in return on assets over time. The tight controls exercised by an organization are proven to significantly influence profits, which goes back to the general principles of supervision in Management.

That these systems are appropriate for the organizations context also support other arguments made. With strong budget control systems already in place, it follows logically that further enhancements of such systems as Emenite have implemented are indeed effective and beneficial. Accordingly Emenite's approach to management oversight warrants retention, and further consideration to implementing areas still amenable to innovation such as identifying operational risks and strengthening internal reporting.

The evidence presented also reinforces arguments that large private sector organizations should be compelled to adopt the same control standards and procedures already being used within many other types of organisations to align processes and financial success.5.3 ConclusionThis paper explored how management operations (budergetary control, accountability for actions, and effective control mechanisms) impacted upon the performance of Emenite Limited as indicated by its return on asset performance.

Specifically, three hypotheses were formulated on the basis of the previous management practices which hypothesized a negative or no effect on ROA, which this study seeks to challenge. Three conclusions are drawn based on data collected from surveys, with written responses content analyzed by themes:First, the results from this study reveal conclusively that enhanced budgetary control does boost the return on assets of Emenite Limited. This shows that active participation in planning and budget creation, detailed follow-ups on variances in expenditures, quick and up-to-the- minute adjustments, and prompt remedying of issues are fundamental steps toward maximizing profitability while utilizing assets efficiently. The finding empirically demonstrates that tight budgetary control over operations and resources within a manufacturing firm indeed makes business sense.

Also this supports a major component of Contingency theory, by suggesting that when administrative control structures are most tightly aligned to their contextual environments, the resulting performance benefits are amplified.

Secondly, while Emenita Limited organization employs clear procedures and systems for its accounting practices, these efforts did not produce significant results that improved return on assets. However, this could be traced to poor incentive and reward schemes. Even though clear boundaries exist for units, management does not appear to be directly linking unit specific incentives to unit performance.

When effort is unrewarded the organization performance does not flourish. It implies that without appropriate rewards being attached to such accounting functions the organization efforts have been largely to waste in the area of gaining much returns, the implication is that strong structures in accounting systems are as important as proper reward mechanism. Therefore, for Emnit Lmitd's operational success to continue, it would need to integrate incentives into operations such as in the provision of rewards linked with their unit specific financial gains.

The study confirms what Agency Theory has said that, where control mechanisms are put in place without incentive systems in place it may render management less likely to work towards the interest of principals.

Third, within Emnit Lmitd, an organization's tight controls are likely to make or break profits far more effectively than any other management approach. The success observed through this study reflects that strong systems like that described in the COSO Framework and well defined job scope result in enhanced firm profitability, simply by preventing assets from "leaking away." As Profit comes from controlling everything, strong guardrails on operational activities translate into fewer accounting mistakes, more money stays inside Emnit Ltd and ultimately a strong ROI performance. Finally, management control measures account for over one-half of the drivers of Emenita Limited's Return on Assets.

Management must understand that strong management control will create real, lasting gains over and beyond any other technique.

Improving Emenite Limited's performance to the fullest is possible by implementing better budgetary oversight, sharper accountability processes and a stricter internal control system.

5.4 Recommendations

Based on those three goals and what was found, here's what needs to get to Emenite Limited's managers. 1. Flexible plans across all costs in Emenite Limited Flexible spending plans are called for everywhere, and perhaps most critically in Production and Operations where flexibility plans in review seemed the weakest in comparison to controls (BC5, $M = 4.209$, $SD = 0.965$).

As real output differs from budget production by >5%, revised policy based on output could directly alter where costs and thus funding is applied without further delay; a change such as this enhances detection of finance differences, ensures continued fiscal tighter control and strengthens the robust link discovered here of use of such flexible budget plans enhancing return on assets (= 0.293, $t = 4.579$, $p < 0.001$).

2. Although one might suspect a relation with good outcomes, rewards are far from linked to good outcomes. At Emenite, managers earn very little from units that turn out well; this gap affects the efficacy of the overall accounting system. An implemented reward system for bonuses, praise and any financial incentives based on each unit's financial results could combat this issue.

With little prior information to show the efficacy of this system, however, there was not a strong association with company returns (= 0.355, p=0.268), proving that managers and others notice the connection between RA9's score for financial controls (M=4.000).

But there is a solution here; paying more, or even offering positive feedback, at times employees exceed their financial performance goals can fix these results. Otherwise they remain as is; because reward system design, rather than financial outcomes themselves, dictate firm's financial success. 3.

Sharpen controls. Better results for Emenite Ltd could be gained by fixing shortcomings in control procedures where checks are currently being done every 3 months rather than on an annual basis and as there may not be enough if what-if scenarios occurring where any potential loss may arise, as a means of avoiding issues within the company. At Emenite Limited, information and risk management review appear to the issues holding this company back in terms of controls.

However, they appear also to reinforce a pattern of better controls directly link with better returns.

The context of where each aspect may help the company should be clearly evaluated and understood; because as the link between greater risk control, and clearer communication enhances returns, by tweaking those areas in Emenite Ltd these results can still further improved in the future. Other Research Directions The contributions of this study become apparent through examination of managerial control practices at Emenite Ltd. However since actual real life factors influence the nature of studies conducted, some limitations did come into play as this research focused specifically on management practices within only one firm; a focus where more detail came into account. This firm is where the most insight for internal control and ROA was obtained through examination of management practices. Research such as this would ideally include data from several publicly traded manufacturers in the Nigerian Stock Exchange or members of the Manufacturer's association of Nigeria covering multiple sectors.

With the use of repeat observations, researchers gain statistical power that accounts for stable intra-firm attributes by examining time serial processes, allowing a clearer causal relationship to be inferred.

Taking a different approach researchers might include other forms of performance measurement such as Return on Equity (ROE), net profit margin (NPM), Earnings Per Share (EPS) and even Return on Total Assets. Doing so will broaden the understanding of control effects as controls may have greater influence on ROE than ROA, etc. Given the seemingly small ties between the rewards and responsibility accounting structure, this aspect would be ideal for future research; with the current study hypothesizing that with a system where reward incentives directly corresponded to performance, RA would positively influence ROA.

A factory study that had the opportunity to have several factory managers that used RA with distinct bonus compensation structures would provide valuable data to allow the use of methods such as sequential regression or SEM to effectively determine any clear patterns in relation to firm performance. 5.6 Contributions to Knowledge One important contribution of this work is to offer an in-depth study of management control at one firm (Emenite Limited) where many existing studies focus on larger numbers of firms to understand controls in general as in the study this detailed insight was provided about individual management decision making process that led to internal changes impacting the firm. This is crucial, as for over three decades, scholars of management control have advocated for case studies such as this one to explore internal operational processes.

As a means of further contribution this research treated return on asset as measures purely from a managerial survey, using responses to the statements BC8, RA10, ICS-D5(3) where other methods could focus on accounting measures in a specific firm's bottom-line.

Such measures may not distinguish firm-specific changes in controlling practices from broad external influences. Moreover, this methodology will be helpful for other researchers in evaluating controls for a single case in the future. Yet one final and important element that adds insight, through real world examination; is that in the use of Contingency Theory (Otley, 2016), what was identified through this firm is that while management controls vary, the reason this one case study does not significantly illustrate the relationship between Responsibility Accounting and firm success is not necessarily that responsibility accounting does not " work" for this firm but is rather because, nearly every RA component, within the surveyed staff, was adopted similarly and as such there was little or no variation in its usage making it impossible to derive any significant difference (as expected with contingency theory when its elements have a well-matched environment, no impact can be determined) [..] " The lack of a significant relationship in this study, between Responsibility Accounting practices and firm performance can be traced back to its high level of adoption where no differences could be evidenced; thus refuting that poor implementation and design can solely explain the failure to elicit significant associations in RA adoption studies.

The study has additionally found a significant lack of alignment between rewarding practices and responsibility of a team as highlighted in RA9 based on Stewardship Theory, which could explain why despite having a functional responsibility accounting system; it still could not affect firm performance.

Thus this type of analysis may benefit further if going beyond a system design assessment for RA, for instance to real world practices. Finally, surprisingly poor and insignificant findings for Information Flow and Risk Assessment within Emenite Ltd highlight a crucial area for auditors, risk and review teams and potentially even the company's senior management as it relates to its impact on financial performance at Emenite Limited and companies facing similar challenges in volatile market environments; considering that in other parts of this investigation everything was very much solid. This reveals where improvements may take hold.

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APPENDIX

QUESTIONNAIRE

DEPARTMENT OF ACCOUNTING

[Godfrey Okoye University]

RESEARCH QUESTIONNAIRE

THE EFFECT OF MANAGEMENT CONTROL ON THE RETURN ON ASSETS OF NIGERIAN MANUFACTURING COMPANIES: A STUDY OF EMENITE LIMITED

Dear Respondent,

You are respectfully invited to participate in this academic research study conducted in partial fulfilment of the requirements for the award of a Bachelor of Science (B.Sc.) degree in Accounting. The study examines the effect of management control, specifically budgetary control, responsibility accounting, and internal control system strength, on the Return on Assets (ROA) of Nigerian manufacturing companies, using Emenite Limited as a case study.

Your participation in this study is entirely voluntary. All information provided will be treated with the strictest confidentiality and used solely for academic purposes. Your identity will not be disclosed in any part of this research. There are no right or wrong answers — your honest opinion is what matters most.

Please read each question carefully and answer as accurately as possible. The questionnaire should take approximately 10–15 minutes to complete.

Thank you sincerely for your time and cooperation.

Researcher: Grace Omaka

Department: Accounting

Supervisor: Dr. Osmond Ugwu

Date: 14th May, 2026

SECTION A: DEMOGRAPHIC INFORMATION

Please tick (✓) or fill in the appropriate box/space for each item below.

S/N	Question	Type	Options
1.	What is your gender?	Tick one	Male □ Female □
2.	What is your age range?	Tick one	18–30 □ 31–40 □ 41–50 □ 51+ □
3.	What is your highest educational qualification?	Tick one	OND/HND □ B.Sc./B.A. □ M.Sc./MBA □ Ph.D. □ Professional (AAT/ICAN/ACA/ACCA) □
4.	Which department do you work in?	Tick one	Finance & Accounts □ Internal Audit □ Production/Operations □ Top Management □
5.	How many years have you worked at Emenite Limited?	Tick one	Less than 2 years □ 2–5 years □ 6–10 years □ Above 10 years □
6.	What is your current job level?	Tick one	Junior Management □ Middle Management □ Senior Management □ Executive/Director □

SECTION B: BUDGETARY CONTROL

The following statements relate to budgetary control practices at Emenite Limited. Please indicate your level of agreement with each statement by ticking (✓) the appropriate column.

SA = Strongly Agree | A = Agree | U = Undecided | D = Disagree | SD = Strongly Disagree

Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)
1. Emenite Limited prepares comprehensive budgets (production, sales, overhead, and cash budgets) at the beginning of each financial year.	☐	☐	☐	☐	☐
2. The budgetary process at Emenite Limited involves active participation from departmental managers before budgets are finalised.	☐	☐	☐	☐	☐
3. Actual financial performance at Emenite Limited is regularly compared with budgeted figures to identify variances.	☐	☐	☐	☐	☐
4. Management at Emenite Limited takes prompt corrective action when significant variances between budgeted and actual figures are identified.	☐	☐	☐	☐	☐
5. The budgetary control system at Emenite Limited effectively prevents cost overruns and resource waste.	☐	☐	☐	☐	☐
6. The budgets set at Emenite Limited are realistic, achievable, and aligned with the company's strategic objectives.	☐	☐	☐	☐	☐
7. Emenite Limited uses flexible budgets that adjust to changes in production volume and operational activity.	☐	☐	☐	☐	☐

8. The budgetary control system at Emenite Limited has contributed positively to the company's overall financial performance.	☐	☐	☐	☐	☐
9. Variance reports are communicated to departmental heads in a timely manner to support decision-making at Emenite Limited.	☐	☐	☐	☐	☐
10. The effectiveness of budgetary control at Emenite Limited is regularly reviewed and improved upon by management.	☐	☐	☐	☐	☐

SECTION C: RESPONSIBILITY ACCOUNTING

The following statements relate to responsibility accounting practices at Emenite Limited. Please indicate your level of agreement with each statement by ticking (✓) the appropriate column.SA = Strongly Agree | A = Agree | U = Undecided | D = Disagree | SD = Strongly Disagree

Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)
1. Emenite Limited clearly defines responsibility centres (cost centres, profit centres, or investment centres) within its organisational structure.	☐	☐	☐	☐	☐
2. Each departmental manager at Emenite Limited is held accountable only for the costs and revenues within their direct control.	☐	☐	☐	☐	☐
3. Performance targets for each responsibility centre at Emenite Limited are clearly communicated to the relevant managers before the commencement of each period.	☐	☐	☐	☐	☐
4. Emenite Limited regularly evaluates the financial performance of each responsibility centre against predetermined targets.	☐	☐	☐	☐	☐

5. The responsibility accounting system at Emenite Limited promotes cost-conscious behaviour among departmental managers.	◻	◻	◻	◻	◻
6. Managers at Emenite Limited are provided with regular performance reports relating to their specific responsibility areas.	◻	◻	◻	◻	◻
7. The assignment of financial accountability to individual managers at Emenite Limited reduces the incidence of resource wastage.	◻	◻	◻	◻	◻
8. The responsibility accounting system at Emenite Limited is fair in that managers are not held accountable for factors outside their control.	◻	◻	◻	◻	◻
9. Emenite Limited links managerial rewards and recognition to the financial performance of individual responsibility centres.	◻	◻	◻	◻	◻
10. The responsibility accounting system at Emenite Limited has contributed positively to the company's Return on Assets.	◻	◻	◻	◻	◻

SECTION D: INTERNAL CONTROL SYSTEM STRENGTH

The following statements relate to the strength of the internal control system at Emenite Limited. Please indicate your level of agreement with each statement by ticking (✓) the appropriate column.

SA = Strongly Agree | A = Agree | U = Undecided | D = Disagree | SD = Strongly Disagree

This section is structured along the five COSO components of internal control.

D1: Control Environment

Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)
1. The management of Emenite Limited demonstrates a strong commitment to integrity, ethical values, and sound internal governance.	◻	◻	◻	◻	◻
2. There is a clearly defined organisational structure at Emenite Limited that establishes appropriate authority and responsibility for all staff.	◻	◻	◻	◻	◻

D2: Risk Assessment

Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)
1. Emenite Limited regularly identifies and assesses risks that could negatively affect its financial performance and operational objectives.	◻	◻	◻	◻	◻
2. The company has established processes for evaluating the likelihood and impact of risks and implementing appropriate responses.	◻	◻	◻	◻	◻

D3: Control Activities

Statement	SA (5)	A (4)	U (3)	D (2)	SD (1)
1. There is adequate segregation of duties at Emenite Limited, ensuring that no single employee has control over all stages of a financial transaction.	◻	◻	◻	◻	◻
2. Emenite Limited has well-defined approval and authorisation procedures for all significant financial transactions.	◻	◻	◻	◻	◻

3. Physical and electronic controls are in place to safeguard the company's assets from theft, misuse, or unauthorised access.	☐	☐	☐	☐	☐

D4: Information and Communication

Statement	**SA (5)**	**A (4)**	**U (3)**	**D (2)**	**SD (1)**
1. Financial and operational information at Emenite Limited is captured, processed, and communicated to management accurately and on time.	☐	☐	☐	☐	☐
2. The internal reporting system at Emenite Limited provides management with reliable information for decision-making.	☐	☐	☐	☐	☐

D5: Monitoring Activities

Statement	**SA (5)**	**A (4)**	**U (3)**	**D (2)**	**SD (1)**
1. Emenite Limited conducts regular internal audits to evaluate the adequacy and effectiveness of its internal control systems.	☐	☐	☐	☐	☐
2. Deficiencies identified through internal audits or management reviews are promptly reported and corrected at Emenite Limited.	☐	☐	☐	☐	☐
3. The overall internal control system at Emenite Limited has contributed positively to improving the company's Return on Assets.	☐	☐	☐	☐	☐

SECTION E: GENERAL / OPEN-ENDED QUESTIONS

Please answer the following questions briefly in your own words. Your responses will be used for qualitative analysis only.

E1. In your opinion, what is the most significant challenge facing the budgetary control system at Emenite Limited, and how has it affected the company's financial performance?

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E2. How effectively does Emenite Limited assign financial accountability to individual departments or managers? What improvements would you suggest?

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E3. In your view, how strong is the internal control system at Emenite Limited, and what specific areas do you believe require strengthening?

____
____

E4. Do you believe that the management control systems in place at Emenite Limited have positively impacted the company's Return on Assets (profitability)? Please explain.

—— END OF QUESTIONNAIRE ——

Thank you very much for taking the time to complete this questionnaire. Your responses are greatly valued and will contribute significantly to this academic research. Please return the completed questionnaire to the researcher or designated contact person in your department.

Researcher's Contact: ________________________________

Email: ____

Summary of Empirical Review

S/N	Author(s) & Year	Topic	Methodology	
1	**Osinupebi & Bodunde (2025)**	Integrated reporting and financial performance of manufacturing firms in Nigeria with moderating role of corporate governance	Ex-post facto design; secondary data from 5 listed manufacturing firms on the Nigerian Stock Exchange; hierarchical multiple regression	Integrated reporting incor frameworks was significa governance mechanisms with stronger governanc effects.
2	**Ugwoke (2025)**	Management control system designs, strategic alignment, and corporate profitability across industrial manufacturing hubs in southern Nigeria	Descriptive survey; structured questionnaires to corporate managers and operational heads; linear regression and multivariate analysis	Comprehensive manage statistically significant pos margins. Structured co execution with corpor redundancies and maximi
3	**Adebawojo et al. (2025)**	Impact of internal management control frameworks on capacity utilization and profitability of listed industrial goods manufacturing companies in Nigeria	Survey research design; management staff of listed manufacturing entities; multiple regression (Adjusted R² = 0.576, F = 35.926, p = 0.000)	Internal management co positive effect on the pro Structured internal contro from inflationary pressure
4	**Ali-Momoh (2024)**	Effect of internal accounting control mechanisms on financial performance of consumer goods manufacturing companies in Nigeria	Ex-post facto design; secondary data from audited financial statements of selected multinational manufacturing firms; multiple linear regression	Highly significant positiv accounting control (preve profit margins. Detective positive impact on profita
5	**Aduwo (2024)**	Effect of strategic cost control frameworks on the growth and structural survival of manufacturing companies in Nigeria	Mixed-method approach; PLS-SEM; Likert-scale questionnaires distributed across regional manufacturing establishments	Strategic cost control sy significant relationship wi firms. Firms strictly en analysis consistently repo margins.
6	**Muriithi (2024)**	Internal control systems and financial performance of companies listed on the Nairobi Securities Exchange in Kenya	Descriptive research design; stratified random sampling of 39 listed companies; regression analysis	Internal control systems financial performance. environment had the environment had the stron

S/N	Author(s) & Year	Topic	Methodology	
7	**Olowookere & Olajide (2024)**	Administrative and operational management control mechanisms and profit margins of SMEs in Lagos, Nigeria	Descriptive survey design; regression analysis on selected SME manufacturing enterprises	Formal planning and po revenue losses and ass appropriate internal mana market factors, deter manufacturing operations
8	**Ogunwale & Isibor (2024)**	Internal control and firms' financial performance in Nigeria: Evidence from selected manufacturing firms	Survey design; regression analysis; focus on accountability, asset safeguarding, and monitoring components of COSO framework	Internal control mechar accountability, asset sa significant positive effects manufacturing firms meas
9	**Aruah et al. (2023)**	Improving management accounting and control systems (MACS) for sustainable innovation and performance of manufacturing companies in Nigeria	Survey design; European Journal of Accounting, Auditing and Finance Research; regression analysis	Improvements in MACS performance monitoring capacity and financial upgrading MACS framew competitiveness.
10	**Eze & Oche (2023)**	Responsibility accounting and profitability of manufacturing organisations in Nigeria	Survey-based design; regression analysis; Nigerian manufacturing sector	Clear structural demarcat critical for profitability. W for localised budgets, undermining corporate pr
11	**Okpolosa (2022)**	Budgetary control systems and the financial performance of listed manufacturing firms in Nigeria	Cross-sectional survey design; primary and secondary data from manufacturing firms in Rivers State; Spearman rank correlation and regression analysis	Budgetary control syster financial performance of r management facilitated b influences profitability of
12	**Oluwayemisi et al. (2022)**	Cost control and financial performance of selected Nigerian manufacturing firms	Panel regression; Journal of Accounting and Management; analysis of administrative costs and selling/distribution costs on profit after tax	Administrative costs exe PAT, while selling and di effect. Cost manageme sustainability.
13	**Ogunmakin et al. (2022)**	Effect of financial management practices on the performance of	Primary data from selected manufacturing firms; regression analysis; EIRP Proceedings	Financial management pr cost control, and working positive effect on firm p

S/N	Author(s) & Year	Topic	Methodology	
		selected manufacturing companies in Nigeria		financial management stru profitability outcomes.
14	**Ogundajo & Nyikyaa (2021)**	Management accounting practices and performance of listed manufacturing firms in Nigeria	Survey; 499 employees across 20 manufacturing companies; structured questionnaires; regression analysis	Management accounting management, and perform positive effect on perform adopting formalised pra without such structures.
15	**Nwobodo et al. (2020)**	Bank internal control systems and non-financial performance of selected quoted deposit money banks in Nigeria	Survey design; International Journal of Business Research; regression analysis on quoted deposit money banks	Internal control structure performance dimension compliance, and custome internal control environm superior performance outc
16	**Adu-Gyamfi et al. (2020)**	Impact of management accounting practices on the performance of manufacturing firms in Ghana	Survey data; regression analysis; Ghanaian manufacturing context; ROA and Return on Equity as performance metrics	Management accounting management, and perform positive impact on manu management accounting linking practices to perfor
17	**Adegbie et al. (2020)**	Responsibility accounting and profitability of listed companies in Nigeria	Ex-post facto design; 173 quoted NSE companies; stratified and purposive sampling (10 companies); panel data regression	Responsibility accountin profitability measured by relationship was statistic control variable. Firm size on ROA.
18	**Oyedokun et al. (2019)**	Cost control and profitability of selected manufacturing companies in Nigeria	23 consumer goods companies listed on the Nigerian Stock Exchange; ten-year period (2005–2017); judgmental sampling; panel regression on audited financial statements	Significant positive relati budgetary control is a ce manufacturing companies positive effect on profitab
19	**Agbenyo et al. (2018)**	Budgeting and its effect on the financial performance of listed manufacturing firms in Ghana	Secondary data from the Ghana Stock Exchange; regression analysis	Budgeting practices had a financial performance of l terms of ROA. Budget pre participation in budgeting

S/N	Author(s) & Year	Topic	Methodology	
20	**Emiaso & Egbunike (2018)**	Strategic management accounting practices and organisational performance of manufacturing firms in Nigeria	Survey design; selected Nigerian manufacturing firms; regression analysis	Strategic management a budgetary control as a significantly influenced c practices that align opera distinguishes high-perforn
21	**Umar & Dikko (2018)**	Effect of internal control on the performance of commercial banks in Nigeria	Panel methodology; Journal of Management Research and Review; selected Nigerian commercial banks	Effective internal control lines of managerial acc positively related to bank of internal control had the
22	**Eze (2018)**	Internal control and financial performance of hospitality organisations in Rivers State, Nigeria	Survey research design; regression analysis; selected hospitality organisations in Rivers State	Positive and significant mechanisms and financia revenue accountability to responsibility accountin distinguishing high-perfor
23	**Nwachukwu et al. (2017)**	Strategy formulation process and innovation performance nexus in Nigerian firms	Survey design; International Journal for Quality Research; Nigerian firms across sectors	Organisational structures strategic outcomes — a c — were positively assoc financial results. Surve management accounting r
24	**Eniola & Akinselure (2016)**	Effect of internal control on financial performance of manufacturing firms in Nigeria	Survey approach; questionnaires administered to selected manufacturing firms; IOSR Journal of Business and Management	Positive and significant mechanisms and financia contributes to improved outcomes. Firms with consistently post lower pr

Source: Author's Compilation (2026)