

EFFECT OF FIRM SIZE ON INNOVATION AMONG MANUFACTURING COMPANIES IN NIGERIA

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ABSTRACT

The relation between firms' size and innovations has produced confounding theoretical and empirical results. Many earlier authors claim that large firms adopt new innovations more than small firms while few authors argued otherwise. This study sheds light on the relation by investigating the choice of advanced manufacturing technology and modern management accounting practices among the manufacturing companies in Nigeria that are not listed on Nigeria stock exchange. A retrospective longitudinal survey was conducted to examine the usage of advanced manufacturing technology and modern management accounting practices during a period of 5 years (2011-2015). A structured questionnaire was personally administered among the management accountants/Head of accounts and Finance units of 154 manufacturing companies that were randomly sampled from the main directory of manufacturers association of Nigeria. 133 useful completed questionnaires were retrieved. The data were subjected to descriptive analysis and logistic regression. The outcome of the study shows that firms' size has a significant effect on both manufacturing technology and management accounting practices. Unlike many earlier findings, the study established a negative relation which implies that smaller firms applied advanced manufacturing technology and modern management accounting practices more than larger firms.

Keywords: Firms size, Innovations, Manufacturing technology, Management accounting practices.