

MANAGEMENT ACCOUNTING
AND
HUMAN BEHAVIOR

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1.0 INTRODUCTION

Management accounting is an information system which should help managers to plan and control the resources of their business organization, so as to achieve the objective of the organization. However, information is valuable only if it is interpreted correctly and used purposefully by managers and employees; in other words, it is necessary to ensure that management accounting system stimulate efficient management decision making. There are different accounting techniques and system for providing relevant planning and control information. We must now give some thought must be given to the problem of ensuring that the manager's decision is influenced properly by the information they receive. The correct use of information depends not only on the content of the information itself, but also on the behavior of its recipient.

This study will concentrate more on how human behavior influences the decision making process made by the managers. It is believed that without taking into consideration of the human factor, it is difficult for the organisation to achieve its objectives. Therefore the managers should be supplied with good information.

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1. 2.4 Management Accounting (CIMA) (BPD Publishing Ltd., London) 1989, pg 530.

It is important for the manager to take into consideration the human factor, because sometimes information received only concerned with figures, without giving any consideration to problems faced during the operational process.

Management accounting always supplies the managers with the information for a situation or when the managers need information to make decisions. But sometime the manager tend to ignore the information, if he thinks the information is too high to be achieve or the manager will try to modify the information when he think it will be much easier to achieve although it is below his capability.

It is also important for the manager to know the behavior of his workers, because sometimes employees are often reluctant to agree to improvements in efficiency standards even though they do not work as hard as they could, because they suspect that more work effort would not be rewarded and it would be against their long-term interest to work harder : it is argued by some writers that this is partly because:

- There appears to be mistrust among employees about incentive schemes, that once the scheme has succeeded in increasing output, the employer will