Role of Management Accounting Practices in Determining Customer Satisfaction in Nepalese Commercial Banks

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Abstract

Management accounting techniques that improve customers satisfaction in banks include decision making, costing, performance evaluation, time driven activity-based costing and budgeting. The study focuses on present practices of management accounting for customer satisfaction in Nepalese commercial bank. Management accounting practices (MAPs) play important role in customer satisfaction through enhancing Nepalese commercial banks' decision-making, financial efficiency, and service quality. This study examines how MAPs and customer satisfaction are related, with a particular emphasis on decision-support systems, cost control, performance evaluation, benchmarking, TDABC and budgeting in commercial banks. The study used a survey method to conduct a quantitative investigation and a descriptive research design to examine the management accounting practices and customer satisfaction of Nepalese commercial banks. Based on judgmental sampling 300 branch managers out of 591 branch managers and 350 customers provided questionnaire for this study. Using cluster sampling, the five banks are chosen based on their largest paid-up capital. In order to fulfill the research objectives, primary data are collected using online questionnaires as well as printed questionnaires. On the basis of responses given by 285 branch managers out of which 300 usable data and 285 responses received from customers out of which 350 are usable data, data are analyzed using various statistical tools. The analysis showed that commercial banks are practicing management accounting for customer satisfaction. The result of the study indicated that there is positive association between management accounting practices and customer satisfaction in Nepalese Commercial Banks. The study concludes that Nepalese commercial banks should adopt robust management accounting practices to enhance their customer satisfaction.

Keywords: Customers satisfaction, Commercial bank, Decision making, Management accounting practices and Tools

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Introduction

Banking history began with merchants lending grain to farmers and traders in ancient Assyria, India, and Sumer before 2000 BCE. Temple-based bankers in ancient Greece and the Roman Empire provided loans, took deposits, and handled currency exchange. Evidence of money loans in ancient China and India also exists. The medieval and Renaissance periods in Italy, particularly in Florence, Venice, and Genoa, are believed to be where the modern banking system first emerged. The growth of banking began in northern Italy and extended throughout the Holy Roman Empire before reaching northern Europe in the 15th and 16th centuries. Advances in computing and telecommunications in the 20th century allowed banks to expand geographically and significantly in size. The 2007-2008 financial crisis sparked intense discussion over bank regulation, causing numerous bank collapses and causing significant changes in banking operations (Kurylowicz, 2004).

Nepal Bank Limited was founded in 1937, marking the beginning of the country's financial system in the early 20th century. Nepal Rastra Bank, the central bank, was founded in 1956. Three banks were held by the government: the Nepal Industrial and Development Corporation (NIDC), Rastriya Banijya Bank (RBB), and Agriculture Development Bank Nepal (ADB/N). Until the 1980s, the government had limited authority over the banking sector. The goal of ADB/N was to advance agricultural growth. In 1984, Nepal adopted deregulated and liberalized economic policies that significantly affected the banking system. A deregulated interest rate structure, open market operations, indirect monetary control, and full convertibility of Nepalese currency in the current account were some of these initiatives. This allowed the banking sector to expand and adopt modern technology. The Nepal Rastra Bank (NRB) categorizes licensed banks and financial institutions into four groups: microcredit financial institutions, finance firms, development banks, and commercial banks. In Nepal's banking industry, the number of development banks (DBs) rose sharply after 1999, reaching 88 in 2012. This does not fully fulfill the purpose of the National Reserve Bank of Nepal (NRB), which is to promote balanced development and financial inclusion. The NRB's 2009 embargo on new bank licenses for A, B, and C category institutions does not apply to special financial institutions that serve national priority areas like energy, agriculture, and infrastructure development. As a result, the financial industry was concentrated through mergers and acquisitions (NRB,2017).

The profession of management accounting (MA) involves business executives analyzing both financial and non-financial aspects of the economy and using the results as crucial recommendations for making wise decisions (Petera & Šoljaková, 2020; Pires et al., 2023). These include examining competitors' pricing strategies and budgeting methods prior to making judgments. MA gives executives management accounting knowledge and strategies to assist cut expenses and boost company revenue. In conclusion, MA enhances quality decision making by offering pertinent planning, control, and decision-making information. Companies are exposed to management accounting techniques since they may help hotel managers obtain pertinent and helpful information, particularly when it comes to preserving the viability of businesses in the cutthroat global marketplace (Sunarni, 2013). Furthermore, the new economic environment, which was primarily brought about by the global economic crisis, required that MAPs be modified in order to improve an organization's performance and profitability (Sunarni, 2013) and take into account market dynamics. Moreover, management accounting procedures have a major impact on an organization's success, according to Abdel-Kader and McLellan (2013). Adoption of management accounting techniques is seen to encompass a variety of organizational functions, including strategic planning, resource allocation, cost control, and operational activities. These methods have emerged as the primary method for controlling various facets of a company's performance.

Although MAPs give managers the knowledge they need to make wise decisions, their lack of availability can result in poor resource management and deteriorating performance. In order to enhance corporate operations and gain a competitive edge, MAP modifications must to be context-specific and customized. Employees can sustain and raise customer expectations by concentrating on differentiation demands with the support of effective MAPs (Dahal, 2022).

Statement of problems

1. What are the present practices of Management Accounting Practices (MAPs) on customer satisfaction in Nepalese Commercial Banks?
2. Is there significant association between MAP and customer satisfaction of Nepalese commercial bank?

Objectives of the Study

The objective of the study is help to understand the present practices of management accounting practices for customer satisfaction and the relationship between management accounting practices and the customer satisfaction of commercial banks in Nepal. By achieving these objectives, the study aims to provide insights and recommendations that can help banks improve their customer satisfaction, enhance decision-making processes, and align their strategic goals with their management accounting practices.

1. To analyze the present practices of Management Accounting practices on customer satisfaction in Nepalese Commercial Banks.

2. To explore the significant association between Management Accounting Practices and customer satisfaction of Nepalese Commercial Banks.

A hypothesis is a statement that suggests or predicts a relationship between variables or phenomena. It is an educated guess or an assumption that is made before conducting research or collecting data. The hypothesis tested in the study is: there is significant association between management accounting practices and customer satisfaction in Nepalese commercial banks.

Literature Reviews

Management Accounting

The field of management accounting focuses on giving employees the knowledge they need to make better decisions and increase the efficacy and efficiency of current business processes (Drury, 2015). According to Hilton and Platt (2011) MA is the process of locating, quantifying, evaluating, interpreting, and disseminating data in order to achieve corporate objectives. Furthermore, MA was described as a group of cost-related managing techniques like product costing and budgeting. Implementing management accounting procedures within the company is one of the most important management accounting concerns (Macinati & Anessi-Pessina, 2014). Furthermore, MAPs as procedures that utilize management accountants' current methods and resources to help them supply management accounting data to managers so they may carry out their managerial duties (Islam and Kantor 2005). According to that definition, management accounting is one of the most important aspects of an organization's operations since it encompasses a wider range of functions than was previously implied by its traditional roles, such as the back door function and the bean-counting process. Thus, transaction processing that collects and meaningfully aggregates data is referred to as management accounting.

Changes in the business environment have an impact on how companies should be run, traded, and run. The purpose and task of management accounting are indirectly impacted by these developments since, historically, management accountants have supplied data that promotes and facilitates successful and efficient operations and management. Various circumstances have prompted business managers to look for fresh information, which has implications for management accountants' roles. Technology, accounting scandals, business trends, and globalization are the main factors influencing how management accountants' jobs are evolving. The focus of cost management should be on decisions and the many cost management methods, tools, and metrics that encourage and assist managers in making more prudent financial decisions (Horngren, 1995). Burns and Scapens (2000) contended that the most common factor stated for encouraging the shift in management accounting was the competitive environment, particularly global competition. Nevertheless, previous research has offered some criticisms of management accounting.

According to the Chartered Institute of Management Accounting (CIMA) (2005), CIMA is a worldwide professional association that offers data for management activities such as financial accounting, policy creation, enterprise planning, disclosure, asset protection, and decision-making, with an emphasis on stakeholder value creation and management. Changes in the global environment have also compelled small and medium-sized businesses (SMEs) to shift toward sustainability, necessitating a stronger emphasis on cost effectiveness. Adopting management accounting principles (MAPs) has long been recommended by the accounting literature as a way to increase firm sustainability (Mueller & Weber, 2023).

Budgeting

The literature on management accounting techniques lists budgeting as a fundamental planning and control method (Drury, 1993). According to Hansen & Mowin, 2003; Otley et al. (2003), budgeting is also seen as a crucial control system for all firms. It is feasible to observe that budgeting techniques are being used more frequently when the studies are reviewed in the relevant literature. The development of future strategies in line with the goal is a crucial aspect of business budgeting. Additionally, there is a significant connection between performance evaluation and budgeting (Fruitticher, 2004). The study's budgeting systems include, among other things, activity-based budgeting, flexible budgeting, zero-based budgeting, budgeting for long-term (strategic) objectives, budgeting for planning, budgeting for cost control, and budgeting with "what if analysis" (Akmeşe & Bayrakçı, 2016). According to Dugdale and Lyne's (2004) survey, 80% of medium- and large-sized enterprises in England have implemented budgeting procedures.

Costing

In the study, management accounting methods are taken into consideration while both old and current cost systems are analyzed. In this context, the cost systems practices that are employed are A plant-wide overhead rate, departmental or multiple plant-wide overhead rates, activity-based costing (ABC), target costs, the cost of quality, regression, and/or learning curve approaches are used to distinguish between variable/incremental costs and fixed/non-incremental costs. In the relevant literature, cost systems practices may be found under the headings of management accounting or cost accounting (Akmeşe & Bayrakçı, 2016).

The majority of previous research in this field has tended to overlook how consumers' perceptions of service value and, in turn, their happiness and usage-continuance behavior are affected by perceived service costs (Tam, 2004). Abu-Salim et al. (2017) highlights that while perceived cost is crucial, it interacts with service quality and other factors in influencing customer satisfaction in health insurance.

Benchmarking Practice

Benchmarking is the process of evaluating anything against a reference standard to determine its relative worth. The Art of War was written by Tzu (1988) around 2,500 years ago. Before starting a conflict, the author advises making seven comparisons between oneself and the other party. Similar comparisons are essential for surviving in business. Businesses who have the greatest goods, fastest delivery times, and most effective procedures are likely to dominate their sector. Famous businesses including AT&T, Eastman Kodak, Ford, IBM, Weyerhaeuser, and Xerox have employed benchmarking, a technique for assessing practices and selecting new strategies, since the late 1970s (Heq et al., 2008). Case studies of benchmarking best practices have been given by researchers including Hinton et al. (2000); Nath & Mrinalini (2000) and Bhutta & Huq (1999), who also compare the benchmarking procedures created at Xerox and Kodak. It is clear from these comparisons and debates that benchmarking has value, yet putting benchmarking projects into action may be challenging.

Performance Evaluation

An essential evaluation technique for assessing firm performance and shedding light on future plans is performance evaluation, which is taken into account in management accounting. In this regard, the two main categories of performance evaluation systems that are now in use are financial and non-financial. Financial measures, non-financial measures pertaining to customers, non-financial measures pertaining to operations and innovation, non-financial measures pertaining to employees, economic value added or residual income, and benchmarking practices are the study's performance evaluation systems, in that order. Return on investment and profit measures are the most commonly used financial metrics (Abdel-Kader & Luther, 2006). According to Gomes et al., (2004), financial metrics have taken a significant position in the organizations' performance evaluation systems. Many businesses nowadays have begun to apply the non-financial performance criteria, which are among the contemporary ones. In terms of businesses, the non-financial criteria also have a significant position. As a result, companies assess and determine their management performances using non-financial criteria (Banker et al.,2000).

Decision Making

It is the decision-making information systems that provide management accounting procedures a new dimension. Information for decision making is a type of information that is developed to help with business decision-making. Short-, medium-, and long-term decisions are made by the businesses using that system. In the rapidly evolving competitive market, information for decision-making emerges as one of the most crucial elements (Wu et al., 2007). The following practices provide information for the decision-making system in this direction: cost-volume-profit analysis (break-even analysis) for major products; product profitability analysis; customer profitability analysis; stock control models; evaluation of major capital investments based on discounted cash flow method(s); evaluation of major capital investments based on payback period and/or accounting rate of return; documentation and reporting of non-financial aspects for the evaluation of major capital investments; sensitivity "what if" analysis when evaluating major capital investment projects; and computation and application of cost of capital in discounting cash flow for major capital investment evaluation(Akmeşe & Bayrakçı, 2016).

Research emphasizes the importance of effective decision-making procedures for businesses to improve performance, development, and survival. Management accounting plays a crucial role in decision-making, enhancing timing, quality, cost, and performance. These factors help a company's position in the market, expand, and resist competition pressure. However, management accounting must provide accurate and trustworthy information to businesses, ensuring their success in making informed decisions (Martin et al., 2015).

Time Driven Activity Based Costing (TDABC)

In the context Greece library, the study demonstrates that it is simple and affordable to adjust the TDABC strategy to changes in a company's internal and external environment. This might be accomplished by adding new tasks, altering cost projections, or adding new activities. The TDABC approach can aid library management in coming to justifiable decisions on the most efficient use of resources and the success of initiatives. However, because it is hard to measure time spent accurately, the study did not examine how users searched for products in online catalogs. The results show that the TDABC method can be advantageous for a more complex or digitalized library approach. Future research could incorporate benchmarking analyses (Kissa et al., 2019).

The study in Sweden uses cognitive time (CTD) as a new element in Traditional Total Daily Activity Costing (TDAC) to address time subjectivity in workers' self-assessments of activity length. The CTABC model is proposed to address this issue, considering CTD in both revenue and cost formulae. Traditional TDABC often overlooks CTD mistakes, causing economic inefficiencies. The CTABC model combines cognitive and physical time in cost accounting, boosting client contract profitability by considering both temporal events. This approach significantly reduces economic inefficiencies caused by insufficient human time utilizations (Pashkevich et al., 2022).

Customer satisfaction

The literature has conceived customer satisfaction as the outcome of comparing what customers receive from the goods and services they use with their expectations (Koenig-Lewis & Palmer, 2014). Customer satisfaction is crucial for financial institutions, and the banking sector is no exception. For banks to be profitable and be viable over the long run, customer satisfaction is essential. Assurance, responsiveness, tangibility, empathy, and dependability all have a favorable impact on customer satisfaction in the banking sector (Rahman et al., 2020). Goet and Kharel (2022) investigate how customer satisfaction with mobile banking services offered by Nepalese commercial banks is impacted by accessibility, communication, time savings, and safety. Their results show a strong and favorable relationship between these variables. According to Reichheld (1996), dissatisfied clients may decide against defecting because they do not anticipate finding better service elsewhere. Additionally, content consumers could search for different suppliers if they think they'll get better service elsewhere. However, a variety of additional criteria are also necessary for maintaining clients. There are more options for products, more convenience, better costs, and higher incomes among them (Storbacka et al., 1994).

Contingency Theory

The theory, as applied to Management Accounting (MA), has been referred to as "a major development of the behavioral management accounting research" and seeks to define certain elements of an accounting system's design that are appropriate for various circumstances. The fundamental premise of the theory is that "there is no universally appropriate accounting system applying equally to all organizations in all circumstances" (Emmanuel et al., 1990). This implies that as an organization's unique circumstances change, the MAS must also adapt in order to continue operating effectively. In conclusion, contingency theory in accounting explains that no management accounting system is universally applicable across all businesses, and its effectiveness depends on specific circumstances, suggesting that organizational structure and performance are interconnected.

Mueller & Weber (2023) did not address the relationship of benchmarking and time driven activity-based costing with customer satisfaction. These variables are equally important in today’s context. Dahal et al (2021) ignored management accounting practices increase customer satisfaction. Similarly, Dahal (2022) did not consider parameter of performance like customer satisfaction, Additionally, there is very little research done in Nepal on management accounting practices determine customer satisfaction.

Conceptual Framework

Independent variables

Dependent variables

Management Accounting Practices
- Costing
- Budgeting
- Decision making
- Performance evaluation
- Benchmarking
- Time driven activity-based costing

Customer satisfaction
- Financial efficiency
- Service quality

(Akmeşe & Bayrakçı, 2016; Gnawali, 2017; Rahman et al., 2021; Mueller & Weber, 2023).

Methodology

The deductive approach used in this study is comparable to that of earlier studies in the management accounting system (Gnawali, 2017; Rahman et al. 2021; Mueller & Weber, 2023). This study examines how Management Accounting Practices (MAPs) are used in Nepalese commercial banks to gauge customer satisfaction using a quantitative methodology. It employs an explanatory casual research design to investigate the connection between MAPs and customer satisfaction, and a descriptive research design to characterize the scope of MAP use. 5 highest paid-up capital commercial banks are selected out of 20 banks in Bagmati province. Because Bagmati province covered the Tarai, hilly, and mountainous regions. The branch managers and customers are the main sources of data. The items of the questionnaire were adapted from Akmeşe & Bayrakçı, 2016; Gnawali (2021); Dahal (2021); Mecha et al. (2015); Sakariya (2018); Sangisetti and Kumari (2023); McLellan (2014).

The Annual Report of the Banks states that these banks had a total of 591 branches in Bagmati province. Based on judgmental sampling, 300 branch managers out of 591 branch managers and 350 customers provided a questionnaire for this study. Using cluster sampling, the five banks are chosen based on their largest paid-up capital. In order to fulfill the research objectives, primary data are collected using online questionnaires as well as printed questionnaires using a Likert 5-point scale. The study generated descriptive and inferential statistics through the analysis of primary data using SPSS V-25 software. On the basis of responses given by 285 branch managers, out of which 300 usable data and 285 responses were received from customers, out of which 350 are usable data, data are analyzed using various statistical tools.

The researcher utilized the following formula to get the sample size (Adhikari, 2021).

where n = sample size

N = 591

Z = 1.96

e = 0.05

p = 0.5

$$n = \frac{\frac{(1.96)^2 .0.5.(1-0.5)}{(0.05)^2}}{1+\frac{(1.96)^2 .0.5.(1-0.5)}{591.(0.05)^2}}$$

= 234

Hence, for the further analysis of the data, minimum of 234 respondents were necessary.

Data Analysis

Demographic profile shows the general information of the respondents. This study was based on the information collected from 285 managers and customers of commercial banks. They provided information about their gender, age, number of children, education level, work experience and training.

Table 1.1

	Frequency	**Percent**
Gender Male	201	70.53
Female	84	29.47
Age 18-30	10	3.5
31-50	275	96.49
Education level Postgraduate	285	100.0
Work Experience 1-10 years	10	3.51
11-20 years	205	71.93
Above 20 years	70	24.56
Training National	260	91.23
Both	25	8.77
Position Branch manager	285	100.0
Customer gender Male	175	61.40

Female	110	38.6
Customer age 18-30	150	52.63
31-50	80	28.1
51 and above	55	19.27
Customer education +2/ Bachelor	100	35.09
Master	150	52.63
M.Phil./PH. D	35	12.28
Customer visit Daily	50	17.54
Weekly	79	27.72
Monthly	120	42.11
Other	36	12.63

This table presents the demographic and professional characteristics of respondents and their customers, focusing on gender, age, education level, work experience, training, position, and customer visit frequency.

The majority of branch managers are male, with a majority aged 31-50. They hold a postgraduate degree and have 11-20 years of experience, indicating significant expertise in their field. Most branch managers receive national-level training, with a focus on locally oriented programs. The majority of customers are male, with 61.40% being male and 38.60% female. The largest customer segment is aged 18-30, with 52.63% being in this age group. The majority of customers have a master's degree, with 12.28% holding an M.Phil. or Ph.D., indicating a well-educated customer base. Customer engagement is mostly periodic, with 42.11% visiting monthly, 27.72%), daily (17.54%), and other frequencies (12.63%). This analysis provides a clear demographic and professional profile of both managers and customers, highlighting strengths and potential areas for strategic improvement.

Table1.2

Reliability of Items

Variables	Code		Items	Cronbach's Alpha
Budgeting	B		7	.710
Decision Making	DM		7	.766
Costing	C		7	.702
Performance Evaluation	PE		7	.718
Time Driven Activity Based Costing	TDABC		7	.786
Benchmark	BE		7	.821
Customer Satisfaction	CS		8	.918

Before performing an analysis of collected data, the reliability of questionnaires has been tested. Since the value of Cronbach's Alpha of each summated scale is greater than 0.7, summated scales are reliable for further analysis (Hair et al. 2007). They are far higher than thresholds recommended by scholars. Reliabilities of each summated scale have been shown by Table 1.2.

Table 1.3

Mean Value of Budgeting

	Mean	Std. Deviation
B1: Budgeting develops a sense of responsibility, policy among the employees and assist in assignment of responsibility.	3.4928	.52891
B2: Budgeting increases operational efficiency; reduce waste and uncertainty of future.	4.0261	.30862
B3: With the installation of budgeting system, employees of the organization become conscious of the needs to conserve business resources.	4.1565	.53251
B4: Budget ensures better understanding and harmonious relation between top management managers and workers.	4.2725	.54021
B5: Budgeting acts as a control tool for administration and medium of written communication.	4.2087	.51426
B6: Budgeting helps to make plan about the sources and uses of money and when and where additional cash borrowing necessary	4.2174	.50202
B7: Planning and budgeting are concerned with the implementation of a plan and strategy for the year ahead.	4.2725	.47736

The items in the questionnaire require respondents to indicate their response based on a 1-to-5-point Likert scale. In this study, respondents' responses with a mean score of 1.00 to 1.80 are considered very low, 1.81 to 2.00 are considered low, 2.61 to 3.40 are considered enough, 3.41 to 4.20 are considered high, while responses with a mean score of 4.21 to 5.00 are considered very high (Kurniawati & Siahaan, 2021).

The displayed means in Table 1.3 are all above 3 as the threshold, indicating that the surveyed respondents feel that there is appropriate budgeting for management accounting practice.

Table 1.4
Mean Value of Decision Making

	Mean	Std. Deviation
DM1: MAP provide accurate cost information to Management accountant with respect to product pricing.	4.2841	.53419
DM2: Investment decision is made on the basis of Net present value and profitability Index.	4.2609	.45915
DM3: Capital structure decision made based on the basis of earning per share and Net profit analysis.	4.2754	.48477
DM4: The organization has made a decision about which product is more profitable or less profitable based on benefit-cost analysis of a product/services.	4.2609	.51861
DM5: Decision making has helped to develop proper and effective corporate, business and functional strategy	4.2870	.49589
DM6: MAP helps bank management to make inventory, dividend, financing marketing and, outsourcing decision	4.2899	.49713
DM7: MAP helps bank managers to eliminate products and services that are incurring losses.	4.3072	.46202

The items in the questionnaire require respondents to indicate their response based on a 1-to-5-point Likert scale. In this study, respondents' responses with a mean score of 1.00 to 1.80 are considered very low, 1.81 to 2.00 are considered low, 2.61 to 3.40 are considered enough, 3.41 to 4.20 are considered high, while responses with a mean score of 4.21 to 5.00 are considered very high (Kurniawati & Siahaan, 2021).

The displayed means in table 1.4 are all above 3 as the threshold, indicate that the surveyed respondents feel that there is appropriate decision making for management accounting practice which enhances organizational performance.

Table 1.5
Mean Value of Costing

	Mean	Std. Deviation
C1: MAP has effectively divided total costs into fixed, variable, and semi-variable components, thereby reducing costs and increasing revenue and profit.	4.2261	.48932
C2: MA helps to reduce cost in areas of product improvement, operation methods, and marketing areas, administrative and financial areas.	4.2174	.48433

C13 Activity based costing/management technique has helped to identify and eliminate non-value- added activities and cost in your organization	4.3014	.49016
C4: Target costing helps to examining a competitors' product in order to identify opportunities for product improvement and cost reduction.	4.2812	.48142
C5: Kaizen costing (continuous improvement on process) has helped to reduce the cost of components and products by a pre-specified amount more effectively.	4.1420	.63804
C6: The organization has adopted and applied standard costing technique in controlling cost i.e., salary, operational, cost and R & D cost.	4.2348	.48219
C7: The organization has used cost information (i.e., operating cost, cost of delivering services, and cost of serving a customer's) to develop competitive strategies.	4.2725	.47736

The items in the questionnaire require respondents to indicate their response based on a 1-to-5-point Likert scale. In this study, respondents' responses with a mean score of 1.00 to 1.80 are considered very low, 1.81 to 2.00 are considered low, 2.61 to 3.40 are considered enough, 3.41 to 4.20 are considered high, while responses with a mean score of 4.21 to 5.00 are considered very high (Kurniawati & Siahaan, 2021).

The displayed means in table 1.5 are all above 3 as the threshold, indicate that the surveyed respondents feel that there is appropriate costing which is enhancing organizational performance.

Table 1.6

Mean Value of Performance evaluation

	Mean	Std. Deviation
PE1: The organization makes customer satisfaction surveys frequently.	4.2058	.45235
PE2: Bench marking system has been adopted for the quality delivery of services.	4.2696	.48203
PE3: Balance sheet analysis and income statement are made to measure the performance which help to get information about strengths & weaknesses.	4.3217	.51514
PE4: Performance evaluation is based on variance analysis between expected and actual.	4.1855	.49453

PE5: Performance evaluation is made based on Residual income, ROI, Divisional profit, return on asset, Return on Equity that assesses the organizational performance.	4.2580	.49427
PE6: Performance evaluation is made based an employee's attitude/behavior.	4.2319	.50420
PE7: An effective measurement and reporting process can improve performance and lower costs.	4.2522	.46085

The displayed means in table 1.6 are all above 3 as the threshold, indicate that the surveyed respondents feel that there is appropriate enhancing organizational performance.

Table 1.7

Mean Value of Time Driven Activity Based Costing

	Mean	Std. Deviation
TDABC1: TDABC improves the accuracy of cost allocation to products and services.	4.1043	.49487
TDABC2: TDABC helps in identifying and utilizing resources more efficiently.	4.3681	.51785
TDABC3: TDABC enhances decision-making by providing more accurate cost information.	4.2870	.46566
TDABC4: TDABC encourages process improvement by identifying non-value-added activities.	4.1449	.47847
TDABC5: TDABC helps in understanding the profitability of different customer segments.	4.2667	.45580
TDABC6: TDABC facilitates better communication of cost information across departments.	4.3072	.50988
TDABC7: Overall, I am satisfied with the impact of TDABC on our organization's performance.	4.2464	.45768

The items in the questionnaire require respondents to indicate their response based on a 1-to-5-point Likert scale. In this study, respondents' responses with a mean score of 1.00 to 1.80 are considered very low, 1.81 to 2.00 are considered low, 2.61 to 3.40 are considered enough, 3.41 to 4.20 are considered high, while responses with a mean score of 4.21 to 5.00 are considered very high (Kurniawati & Siahaan, 2021).

The displayed means in Table 1.7 are all above 3 as the threshold, indicating that the surveyed respondents feel that there is appropriate time-driven activity-based costing, which is enhancing organizational performance.

Table 1.8

Mean Value of Benchmarking

	Mean	Std. Deviation
BE1: Benchmarking has provided valuable Observation that have significantly improved key performance indicators (KPIs).	4.1768	.58123
BE2: Benchmarking has helped our organization gain a competitive advantage.	4.1942	.49997
BE3: Benchmarking has significantly enhanced the operational efficiency of our organization.	4.2638	.49119
BE4: Benchmarking information is frequently utilized in strategic decision-making processes.	4.3188	.51975
BE5: Benchmarking encourages innovation and creativity within our organization.	4.3333	.51339
BE6: Benchmarking has positively enhanced customer satisfaction.	4.2638	.51994
BE7: Benchmarking has guided effective resource allocation within our organization.	4.2290	.52526

The items in the questionnaire require respondents to indicate their response based on a 1-to-5-point Likert scale. In this study, respondents' responses with a mean score of 1.00 to 1.80 are considered very low, 1.81 to 2.00 are considered low, 2.61 to 3.40 are considered enough, 3.41 to 4.20 are considered high, while responses with a mean score of 4.21 to 5.00 are considered very high (Kurniawati & Siahaan, 2021).

The displayed means in Table 1.8 are all above 3 as the threshold, indicating that the surveyed respondents feel that there is a sound benchmarking system that is enhancing organizational performance.

Table 1.9

Mean Value of Customer Satisfaction

	Mean	Std. Deviation
CS1: I am satisfied with the friendliness and professionalism of Bank staff	3.8522	.65027
CS2: I am satisfied with the efficiency and accuracy of transactions conducted with the bank.	4.0203	.56768
CS3: The bank resolves issues or complaints in a timely and satisfactory manner	4.0406	.60384

CS4: You will encourage friends and relatives to use the service offered by this bank.	4.0812	.62349
CS5: The green strategy of bank positively influences your perception of the bank's overall performance	4.1855	.58102
CS6: The bank regularly informs you of new or important banking information through various media, e.g. on the television or radio and social network, that makes your relation better with the bank.	4.1101	.60476
CS7: The bank provides technologically advanced services, e.g. internet banking, SMS banking, ABBS, ATM, TT, draft and so on.	4.2145	.64728
CS8: You satisfied with the overall service quality of the bank	4.0348	.62780

The items in the questionnaire require respondents to indicate their response based on a 1-to-5-point Likert scale. In this study, respondents' responses with a mean score of 1.00 to 1.80 are considered very low, 1.81 to 2.00 are considered low, 2.61 to 3.40 are considered enough, 3.41 to 4.20 are considered high, while responses with a mean score of 4.21 to 5.00 are considered very high (Kurniawati & Siahaan, 2021).

The displayed means in Table 1.9 are all above 3, as the threshold indicates that the surveyed respondents feel that the customer satisfaction level is also high.

Correlation Analysis

Table1.10

Interpretation of Correlation Result

Results	Relationship	Interpretation
00.90−1.00	Very high correlation	Very strong relationship
0.70−0.90	High correlation	Substantial/significant relationship
0.40−0.70	Moderate correlation	Moderate relationship
0.20−0.40	Low correlation	Weak relationship
0.00−0.20	Slight correlation	Relationship so small to be random

Source: Burns & Burns, 2008

Table1.11

Correlation between Management Accounting Practices and Organizational Performance

	SUM_C	SUM_B	SUM_DM	SUM_PE	SUM_BE	SUM_TD	SUM_P
SUM_C	1	.510**	.333**	.410**	.395**	.404**	.548**
SUM_B		1	.390**	.265**	.367**	.396**	.517**
SUM_DM			1	.254**	.414**	.436**	.508**
SUM_PE				1	.321**	.365**	.503**
SUM_BE					1	.940**	.709**
SUM_TD						1	.728**
SUM_P							1

The above table shows that based on 285 respondents, there exists a positive moderate correlation between management accounting practice (cost, budget, decision-making, performance evaluation, benchmark, and time-driven activity-based costing) and customer satisfaction.

Conclusion

The majority of branch managers are male, with a majority aged 31-50. They hold a postgraduate degree, indicating high educational qualifications. Most have 11-20 years of experience, with 24.56% having over 20 years. Most have received national-level training, with a focus on locally oriented programs. The analysis is highly specific to managerial perspectives, as all respondents are branch managers, indicating a male-dominated workforce. The majority of managers have received both national and international training. The majority of customers (61.40% male) are aged 18-30, with younger individuals being more engaged. The majority have a master's degree, with 12.28% holding an M.Phil. or Ph.D., indicating a well-educated customer base. Most customers visit monthly, with frequency ranging from weekly to daily, indicating a periodic engagement rather than a frequent visit.

The Cronbach alpha scores for decision-making, costing, performance evaluation, benchmarking, TDABC, budgeting, and satisfaction are above 0.7, indicating reliability for further analysis. The mean scores above 3 indicate positive perceptions of management accounting decision-making, associated with perceived enhancements in customer satisfaction. The study reveals a positive moderate correlation between management accounting practices and customer satisfaction in Nepalese commercial banks. Key factors include decision-making, costing, performance evaluation, time-driven activity-based costing, benchmarking, budgeting, and customer satisfaction. The success of an organization in the growing commercial market depends on management accounting, which aids managers and executives in making informed decisions and directing the company toward its goals. Time-driven activity-based costing, benchmarking, performance evaluation, budgeting, costing, and decision-making are all included. Resource allocation, cost-control strategies, and expansion prospects are all aided by management accounting's ability to pinpoint strengths, shortcomings, and possible areas for improvement. Customer satisfaction can be improved by businesses that use good accounting processes.

Discussion

The mean scores above 3 indicate positive perceptions of management accounting decision-making, associated with perceived enhancements in customer satisfaction. It shows that Nepalese commercial banks are practicing management accounting for customer satisfaction. The study reveals a positive moderate correlation between management accounting practices and customer satisfaction in Nepalese commercial banks. Key factors include decision-making, costing, performance evaluation, time-driven activity-based costing, benchmarking, budgeting, and satisfaction. This result is consistent with Gnawali, 2017; 2018; 2021; Dahal et al., 2021; Dahal, 2021; 2022; Mechaetal, 2015; Sakariya, 2018; Akmeşe & Bayrakçı, 2016.

Limitations

1.The study focus only Bagmati province five highest paid up commercial banks.

2. Management accounting practices focus only customer satisfaction.

3. The response only taken from branch managers of commercial banks.

4 The result of study may not represent bank and financial institutions**.**

Implications of the study

The conclusion of the study can be applied not only to the banking sector but also to the service, trading, and manufacturing sectors. The study gives incites to CEO, managers, decision makers, government, non-profit organizations and policymakers. Management accounting tools provide accounting information for managerial and operational decision-making to achieve betterment of organizations.

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