

An Empirical Assessment of Measuring the Extent of Implementing Responsibility Accounting Rudiments in Jordanian Industrial Companies listed at Amman Stock Exchange

**Mohammad Ebrahim Nawaiseh¹, Abdul-rahman Zeidan², Mahmoud Falahat³ and
Atala Qtish⁴**

Abstract

Aims: To identify what extent the Jordanian Industrial Companies fully implement responsibility accounting? To disclose the obstacles that may abstain of full implementation of responsibility accounting rudiments.

Study Design: Research paper.

Place and Duration of Study: Jordan. Questionnaire in 2013.

Methodology: (45) public shareholding industrial companies in Jordan out of (80) in 2013, the final respondents that are subjected to analysis (37) which constitute (46.25%) from population, (82.22%) from the sample size.

Results: The study concluded a set of results: There is partially implementation of responsibility accounting with a percentage of (67.18%), obstacles percentage that of implementation is (74.33%). A set of recommendations were proposed for boosting the degree of enhancement of responsibility accounting.

JEL classification numbers: M41, M42

Keywords: Responsibility Accounting, Public Shareholding Companies, Jordan.

¹Al- Zaytoonah University of Jordan / Department of Accounting

²Al- Zaytoonah University of Jordan / Department of Accounting

³Al- Zaytoonah University of Jordan / Department of Accounting

⁴Al- Zaytoonah University of Jordan / Department of Accounting

1 Introduction

The management accounting plays a vital role by providing organisations with information for enabling planning, controlling, decision making, and through past decades with the modern technological development in information technology, production, and competition increase, a need has occurred to developing and using of managerial techniques, in addition to the severe competition among corporations at this time, that has come into existence due to the global markets' openness, consequently, this develop for technology use has encouraged much demand on these information, more accurate, and on time to cope with the customers' wish for decision making, adding to this, most companies, concentrated the attention on product quality, also on the classification of the operations to various activities, to get more precise information for the purpose of its products' costs determination, for the changes in information technology, for the consumers' demand, the management accountant's role has changed from the traditional role, to more efficient one, through assigning him among the managerial team for planning, and decision making to get most profitable situation for the business, dhaher[1]. From the Islamic religion point of view, the noble Qur'an and the noble Suna, refer to responsibility accounting, where the Qur'an cleared that the individual is responsible in front of Allah about his deeds and behaviours in this life in what is the things are tiny or not, Allah says in holy Qur'an: "So whosoever does good equal to the weight of an atom (or a small ant) shall see it, And whosoever does evil equal to the weight of an atom (or a small ant) shall see it", Zalzal (The earth quake[2], one of our messenger prophet Mohammad's sayings (Hadith) (Peace be upon him) about responsibility basis is: "All of you are responsible and guardians for his subjects, the ruler is guardian of his subjects, the man is guardian of his family, the woman is guardian and is responsible for her husband's home and his offspring, and so, all of you are guardian and are responsible for his subjects", "The following quotation from Mohammad, the God's messenger (PBUH) must be considered in the general way: (*Audit yourself (discharge your accountability) before being audited*) contrary to a complete transparency which might be inferred from the appearance of the quotation." Albukhari and Muslim[3]. Responsibility accounting system denotes: setting the accounting data in a proper reports, as per individual's accountability, for the purpose of presenting information about the activity performance for every single division or department that would be from the individual's responsibility, which in turn, this report contains in details, all items that should be included within the responsibility's scope for that person, the other cost items that are not within the person's responsibility should be out of that responsibility, on that basis, one can say that responsibility accounting objective is to accumulate the data for a single activity through a period of time, then compared with the estimated one, and to disseminating it in a report for evaluating the individual's performance, for this cause, this system might be nominated as a responsibility system for costs, Joma'a, [4]. The responsibility accounting can be defined as the accounting system appointed by the entity to pursue cost elements, preparing of performance reports for different managerial levels within the entity, or, can be defined as an activity accounting, which means, to connect the predetermined rates for activity cost elements with responsibility centers, compared with actual rates for the elements to determine the variances' responsibility, Al-sherief [5]. From the above concepts for responsibility accounting, it can be said that this system is considered as a tool for directing the employees within the entity to enhance the favorable variances, to minimize the

unfavourable, in order to encourage employees to developing the innovative spirit among them for getting the optimum investment to the available resources.

2 Literature Review and Previous Studies

In responsibility accounting, the debate as to the scope of appropriateness of responsibility continues to rage. Bevan and Messner[6] identify that much of the debate revolve around the controllability principle which states that managers should be made responsible only for those activities, objectives or outcomes with which they have influence or control. An important characteristic of management control systems is the use of responsibility accounting. As Baiman [7] notes: "Responsibility accounting states that a person should be evaluated only on the basis of those factors that he controls. This is *usually interpreted* to mean that a person should be evaluated only on the basis of those *outcomes* that he affects [emphasis in the original]." This notion gives rise to the desire to distinguish between controllable and noncontrollable costs because the latter presumably should not be used to evaluate an individual's performance. One of the most objectives that responsibility accounting to achieve is cost control via budgetary control for each responsibility center at the beginning of the period, and comparing the actual achievements with the budgeted ones, for the purpose of evaluating responsibility centers, and to determine the variances at source, by taking both the standard costing system and budgets, the budget has operational, capital and cash activities. Responsibility accounting as a control device emphasizes responsibility centers. These are subunits of an organization under a specific manager's control and hence having direct responsibility for its activities Fowzia[8]. There are five main responsibility centers for the purpose of cost control. These are cost center of which a manager is held accountable for the costs in the subunit; revenue center of which a manager is held accountable for the revenue subunit; profit center of which a manager is held accountable for the profit subunit; investment center of which a manager is held accountable for the profit and the capital invested to generate that profit in the subunit; contribution margin centre of a manager is held accountable for the contribution in that subunit. The responsibility accounting system is one of the important systems in the company, because of its benefits obtained, this system depends upon a group of elements, that can be summed up as follows, Al-sherief [9]:

1) Accounting Information System: The system of responsibility accounting depends on the interrelation between accounting information system and organizational structure of the company. The standard costing system provides responsibility accounting with quantitative standards to performance evaluation, determine the controllable and noncontrollable costing, for this reason, it can the controllable costs be determined for a particular person, in order to avoid the conflicts among employees, and a accounting documents prescribed as evidence in case of conflicts among employees in centers of organizational structure of the company.

2) Decentralization: It means dividing the company into responsibility centers, in addition to decision making on the lower management level, on other words, more decisions on the lower level, more decentralization, and more determination for authority and responsibility.

3) Management by Exception: This principle assists in presenting the performance of responsibility centers, for this case, the upper levels of management are aware with

operations and extraordinary items performed on the lower levels of company's organizational structure .

4) Motivation System: This system of positive incentives will raise the behavioral motivation from the employees point of view , to achieve the predetermined targets , in which the laborious employee be remunerated , encouraged ,or punished according to the achievement degree .

Responsibility accounting is a system of accounting that segregates revenues and costs into areas of personal responsibility in order to monitor and asses the performance of each part of an organization. The concept of responsibility accounting is central to any effective profit planning and control system. Someone must be held responsible for each cost or else no one will be responsible and the cost will inevitably grow out of control. In the same vein Zimmerman [10], says responsibility accounting system is part of the performance evaluation system used to measure the operating results of the responsibility center. Responsibility accounting then dictates that the performance measurement system measures the performance that results from the decision rights assigned to the responsibility center. *MojganSafa [11] mentioned as the centralized operations in organizations become more complicated in case of business development, the need to delegate authorities and responsibilities will depend on the size of the business. In a decentralized business organization, directors are responsible for planning and controlling the corporate operation. If the authority to manage daily operations is transferred from high-level managers to middle managers, the former will have more opportunity to focus on strategic planning. The responsibility accounting system is designed to report and accumulate costs by individual levels of responsibility. Each supervisory area is charged only with the cost for which it is responsible and over which it has control. There are three basic types of responsibility centers: cost centers, revenue centers, and investment centers. When budgeted amounts are compared with actual amounts and deviations are found, responsibility accounting can be used to find the causes of such deviation and hence improve the function. Al-shomaly[12] in his study aims to disclose the methods that are used to evaluate the performance in the medical care sector in Jordan and the extent of their relation with the responsibility accounting principles. In order to achieve this goal, a questionnaire had been designed to obtain information of the sample which represents the medical institutions in the north of Jordan (NGOs and private sector). The study concluded that the medical institutions in northern Jordan are partially adopting the fundamentals of responsibility accounting system in the evaluation of its performance, but informally. This conclusion is supported by; First, The presence of definite organizational structures, where the centers (cost and profit centers) were divided according to those structures. Second, the absence of systematic preparation for budgets to each responsibility center. Third, the tendency toward decentralization(delegation of authority) in these institutions were weak, where there was significant influence by top management in the process of decision making and performance evaluation in centers and at the entire organization level . While some Patel [13] refer to responsibility accounting in the large companies, is tool of a good control system. This is a system of responsibility, accountability, and performance evaluation. There are many control systems in the accountancy; they all are controlled on the whole organization, while this control system is that it is relevant to measurement of performance of divisions of an organization. Thus, Budgeting and standard costing are part of the responsibility accounting process. Responsibility Accounting is very much related with the size of an organization. It is useful for the large-scale companies, while small-scale companies are not useful as*

compared to large scale. Generally, this system is useful in those companies which produce very large variety of products and works on large scale, like Hindustan Uniliver Ltd. while in small scale companies this is not as such controllable as large scale companies. Responsibility Accounting is a method of accumulating and reporting both budgeted and actual costs, by divisional managers responsible for them. In this system, business activities are identified with persons rather than products for that to make effective control to appoint a manager. Horngren has defined responsibility accounting as, “a system of accounting that recognizes various responsibility centers throughout the organization and reflects the plans and actions of each of these centers by assigning particular revenues and costs to the one having the pertinent responsibility.” Responsibility Accounting is also defined as, “that segregates revenues and costs into areas of personal responsibility, in order to assess performance attained by persons to whom authority has been assigned.” Other study ,Nyakuwanika, et.al [14] , sets out to come up with strategies to ensure effective responsibility accounting system in the Ministry of Health and Child Welfare (MOHCW) in Mashonaland West Province of Zimbabwe. The study was largely prompted by the fact that despite having been professionalized in its functions, the Ministry was still facing many challenges. The target population for the study was the management and a sample of 70 employees from the fourteen stations in the province was used. Systematic sampling (probability sampling) and purposive or judgmental sampling (nonprobability sampling) were used. It was observed that departments were operating with mandated budgets and that planning and control were not integrated. In addition it was also observed that performance reports were being used to fix blame on management and that performance reports were not being distributed to sectional managers on a regular basis. It has been recommended that when coming up with budgets for the province the leadership should allow station managers to participate in the budget formulation and their suggestions should be taken on board and Incorporated in the master budget.

Islam is a: [. . .] comprehensive way of life that results from one living in a state of surrender to God (whereby) all daily living (are sanctified) into worshipful acts that unify life in a manner consistent with the Tawhidic principle of the divine unity, self-purification and self-perfection through worship, the ongoing acquisition of knowledge and performing of selfless (deeds) Krauss et al.[15]. The purpose of Islamic legislation (shari’ah) is to fulfill compassion and guidance within society at large, by establishing and enacting the concepts of “justice, eliminating prejudice, and alleviating hardship by promoting cooperation and mutual support” .Dusuki and Abdullah[16]. Like other monotheistic religions, Islam establishes a core focus on accountability of deeds in front of God (Allah). Thus, the shar’iah incorporates laws and regulations that aim at improving and facilitating human lives and serve the benefits of all such beneficiaries, where the proper norm for God is Al-Akhirah (the eternal afterlife/hereafter). The Holy Qur’an also clearly states : “There is no compulsion in religion” Qur’an [17]. This renders the myth of violence in Islam irrelevant since if people are violently requested to become Muslims, they still cannot be considered Muslims since Islam is an internal act of the heart. According to the Islamic framework, human beings also differ in their level of religiosity. Religiosity represents “a belief in God accompanied by a commitment to follow principles believed to be set by God” McDaniel and Burnett [18]. Vitell et al. [19] presented a “call for interdisciplinary research regarding religiosity”, whereas Spilka et al. [20] note that most of the research in this domain had focused on the “Judeo-Christian framework.” Scholars have reviewed the concept of Islamic social responsibility to encompass a broader meaning that embraces

the “taqwa” or God consciousness dimension. This concept means that corporations as a group of individuals do assume the roles and responsibilities as servants and vicegerents in all situations. Thus, relationship with God should inspire the values of truthfulness, fairness, kindness, uprightness rather than envy, backbiting and discrimination in the corporate setting, where such relationship should be held in business activities as well as in with all stakeholders Siwar and Hossain[21]. From the literature review mentioned, it can be said, despite the role that management accounting techniques play, there was no study occurred – to the best of the researchers’ knowledge – about this topic in Jordanian industrial public share holding companies, for this cause, the exploratory study has been furnished, its importance is coming from the vital role of responsibility accounting itself, the need for recruiting the efficient Certified Management Accountant through showing some of the factors that are affecting responsibility accounting with the accountability system effectiveness, in addition to know the obstacles to minimize the cost for the decision making. The questionnaire focused on the most of responsibility accounting features. Planning and control are often confused, and these are intermittently used to suggest that they are synonymous or have same meaning. Essentially, planning and control are complementary but not synonymous. Planning embroils the development of objects and putting in place various budgets to accomplish those planning. According to Lucey[22], Planning establishes the objectives, and formulate, evaluate and select policies, strategies, tactics and actions required to achieve these objectives. It comprises long term and short term strategies. Finally, effective implementation requires the presence of precisely prepared budgets in order to measure the performance of each division on the basis of actual and planned results as indicated by Odum [23]. Based on the preceding literature review, the study problem can examine if management accounting’s staff in Jordanian industrial public share holding companies listed at Amman stock exchange realize to what extent these companies implement responsibility accounting, and what are the obstacles that the management accounting staff might face on the light of such applicability. However, the study providing an empirical evidence from Jordan in implementing responsibility accounting. The outcome of this study could benefit the following sectors: Securities and Exchange Commission (SEC), the academe, the management of concerned industrial public shareholding companies.

3 Research Methodology

3.1 Sample Size, Data Collection

This study has two sources of information, descriptive through the library’s survey, the related previous studies for the purpose of setting the basis that the study’s background depends upon, the analytical side has a questionnaire survey was used to determine the "state of the art" for responsibility accounting, the questionnaire circulated by hand to (45) public shareholding industrial companies in Jordan out of (80) in 2013, the returned questionnaires are (43), the final respondents that are subjected to analysis are (37) which constitute (46.25%) from population, (82.22%) from the sample size, the questionnaire classified into three parts, personal variables (Qualification, Specialization, Age, Gender, and Professional Certificates), the second part includes some of the responsibility accounting rudiments (1-12), whilst the last part has focused on the obstacles that may deter the application of responsibility accounting (13-32). All the

questionnaire's questions have been formulated by five Likertscale , taking (5) as strongly agree ,and (1) strongly disagree .

3.2 Data Analysis and Hypotheses Testing

The Degree of compliance (importance) which is mathematically expressed by: (Arithmetic Mean) \div (higher weight to the question) (100%) . The one-sample *t*-test is used to know whether the sample comes from a particular population but we do not have full population information available to us. Analysis of variance (ANOVA) is used to analyze the differences between group means and their associated procedures, it provides a statistical test of whether or not the means of several groups are equal, and therefore generalizes *t*-test to more than two groups. For this reason, ANOVAs are useful in testing three or more variables for statistical significance, level of significance chosen in this study 0.05. The consistency level can be determined through inter-item consistency reliability. The consistency test that is commonly used specifically for multipoint-scaled items is the Cronbach's Alpha coefficient Hair [24].Itis the most common measure of internal consistency (reliability) ,and most commonly used when we have multiple Likert questions in a questionnaire that form a scale and we wish to determine if the scale is reliable. If reliability Coefficient is \geq (60%), it would be accepted according to sekaran [25].For data collected from the survey, all items in section (B) and (C) were subjected to the reliability test. The findings of the reliability test for each section of the questionnaire, and normality tests are presented in the Table (1). Validity and Reliability measures have been tested for the last two parts of the questionnairespharagraphs; these tests were as follows in table (1) and (2) respectively:

Table 1: Validity Correlation Test

Item	Corrected Item-Total Correlation	Item	Corrected Item-Total Correlation	Item	Corrected Item-Total Correlation
1	-.049	12	.557	23	.394
2	-.026	13	.679	24	.159
3	.376	14	.473	25	.742
4	.764	15	.267	26	.501
5	.547	16	.661	27	.389
6	.387	17	.359	28	.419
7	.658	18	.324	29	.623
8	.470	19	.683	30	.250
9	.185	20	.510	31	.594
10	.602	21	.545	32	.507
11	.535	22	.667		

Table number (1) shows the validity of the paragraphs, in which these questions are proper to the required measure set for it, while the reliability coefficient is satisfied by the following two measures taken ; (Cronbach's Alpha) and (Split-Half Coefficient) as per table no.(2).

Table 2: Reliability Coefficient Tests

Paragraphs	Title	Split-Half Coefficient	r	Cronbach's α
1-17	Rudiments	.804	.672	86.60%
18 - 32	Obstacles	.871	.771	89.90%
1 - 32	All	.672	.504	90.20%

All paragraphs numbered in table (2) follow the normal distribution, paragraphs (1) – (17) are replaced with (x_1) , paragraphs (18)-(32) expressed by (x_2) , (**Split-Half Coefficient**) for calculating Spearman-Brown Coefficient through the following formula: Where (r) is correlation coefficient, $[(2r) / (1+r)]$, figure (1) Shows the normality.

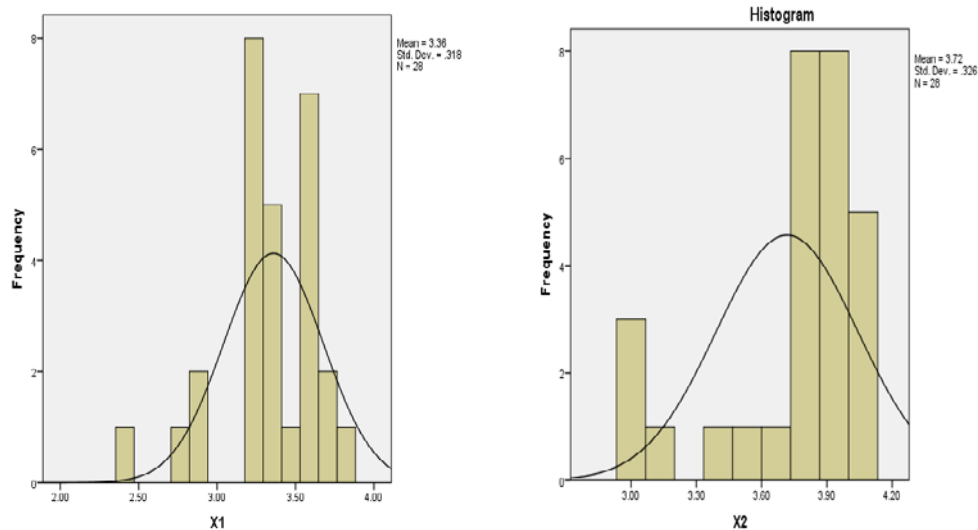


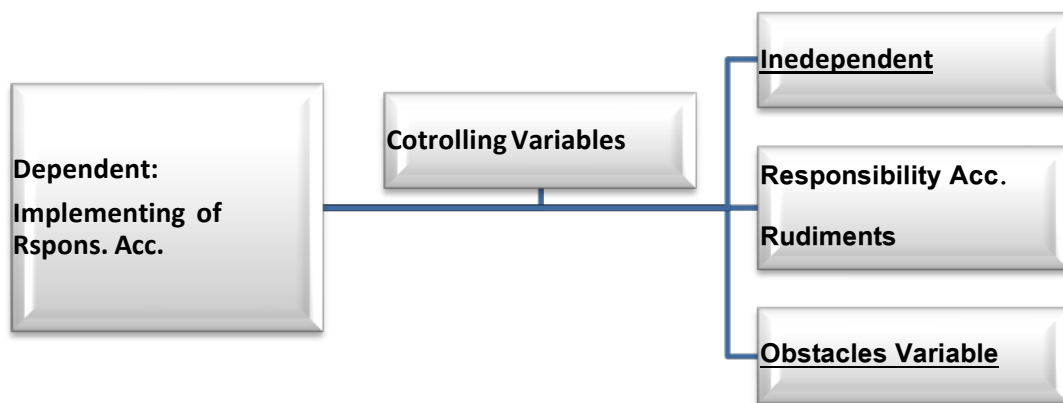
Figure 1

Five individual information were involved in the data collection, namely, Qualification, Age, Academic specialization, Professional Certificates, and gender. Table (3) presents the descriptive statistics of the final sample in this study. The study's sample respondents are from management accounting staff in the Jordanian industrial public shareholding companies listed in Amman stock exchange in 2013, table no.(3) represents the study sample's characteristics, (83.8%) are males, high percentage (83.3%) having an age more than (40) years, (91.9%) having undergraduate, while the specialization percentage (89.2%) is for accounting.

Table 3: Demographic Profile of Respondents

No.	Title	Class	العدد	%
1	Qualification	Community college	0	0
		undergraduate	34	91.9
		graduate	3	8.1
2	Age	< 30	0	0
		30 - 40	6	16.2
		40 - 50	31	83.3
		≥50	0	0
3	Spcialization	Accounting	33	89.2
		Management	1	2.7
		Others	3	8.1
4	Professional Certificate	JCPA ,ACPA	5	13.5
		CMA ,CPA	0	0.0
		None	32	86.5
		Male	31	83.8
5	Gender	Female	<u>6</u>	<u>16.2</u>

Study Model



Thus, the following three listed hypotheses are below:

Ha1: Management accounting staff realizes the availability of responsibility accounting rudiments (features) in Jordanian industrial public shareholding companies.

By analyzing these (13) factors that are related to responsibility accounting rudiments (features), the responses for the majority were ranged (63.24% -

72.43%) , with an average between (3.16 – 3.62) for all paragraphs shown in tables nos.(4) ,and (5), the highest average is for paragraph(13)that is related to theorganizational structurein the company,with percentage (72.43%), the lowest percentage is for paragraph no. (4) which is related to budgetary control technique that is applied in the company with (63.24%), followed by paragraph no.(8) , that has focused on standard cost in respective centers , in general , the average for all paragraphs is (3.47) or (69.4%) , which is within class (3 - 4), the standard deviation is (0.40)for all , which means no dispersity in the respondent's opinions seen.

Table 4: Availability of Responsibility Accounting Rudiments(features)

No.	Title	Percentage of Responses				
		(5)	(4)	(3)	(2)	(1)
1	There is a system to allocate costs among respective centers	1	20	11	3	2
		2.7%	54.1%	29.7%	8.1%	5.4%
2	There is a clear cost acc.system	4	17	13	3	0
		10.8%	45.9%	35.1%	8.1%	0
3	The currentorganizational structure is effective	0	24	11	2	0
		0	64.9%	29.7%	5.4%	0
4	Budgetary control technique is applied in the company	2	7	23	5	0
		5.4%	18.9%	62.2%	13.5%	0
5	There is aJob description	0	18	16	3	0
		0	48.6%	43.2%	8.1%	0
6	Speciality in responsibility centers	0	26	8	3	0
		0	70.3%	21.6%	8.1%	0
7	Availability of respons .center manager	2	18	13	4	0
		5.4%	48.6%	35.1%	10.8%	0
8	Standard cost in respective centers	0	12	22	3	0
		0	32.4%	59.5%	8.1%	0
9	Clarity of organizational structure	0	17	19	1	0
		0	45.9%	51.4%	2.7%	0
10	Coordination among Resp.centers	2	18	13	4	0
		5.4%	48.6%	35.1%	10.8%	0
11	ClassificationOf centers' revenues	3	15	17	2	0
		8.1%	40.5%	45.9%	5.4%	0
12	Aclearinterlations among these centers	0	21	13	3	0
		0	56.8%	35.1%	8.1%	0
13	There is aorganizational structureIn the company	4	20	9	3	1
		10.8%	54.1%	24.3%	8.1%	2.7%
14	There is association between rev. costs for each resp.center	0	19	14	3	1
		0	51.4%	37.8%	8.1%	2.7%
15	There is a standard for performance evaluation in resp.center.	0	23	13	0	1
		0	62.2%	35.1%	0	2.7%
16	There are harmonization among all	2	14	15	6	0

	resp.centers in relation to the applied performance standards	5.4%	37.8%	40.5%	16.2%	0
17	There is a written procedure guide	0	0	15	22	0
		0	0	40.5%	59.5%	0

This hypothesis has been tested through questions (1)to (17) that can be summed up as in table no.(5), which shows mean , standard deviation ,and the the relative importance .

Table 5: Mean relative importance and deviations

No.	Mean	Standard Deviation	Relative Importance	Ordering
13	3.62	0.89	72.43	1
3	3.59	0.60	71.89	2
17	3.59	0.50	71.89	2
2	3.59	0.80	71.89	2
15	3.57	0.65	71.35	3
11	3.51	0.73	70.27	4
12	3.49	0.65	69.73	5
7	3.49	0.77	69.73	5
10	3.49	0.77	69.73	5
9	3.43	0.55	68.65	6
5	3.41	0.64	68.11	7
1	3.41	0.90	68.11	7
14	3.38	0.76	67.57	8
16	3.32	0.82	66.49	9
8	3.24	0.60	64.86	10
4	3.16	0.73	63.24	11
All	3.47	0.40	69.40	

One-Sample T-Test shows the computed (t) is (5.972) , P . value = (0.000) is less than (5%), on this basis , alternative hypothesis is accepted , which means , that Management accountaning staffs realize the applicability of responsibility accounting in Jordanian public share holding companies listed at Amman stock exchange with a percentage of (69.40%) , as it is shown in table no.(7) .

Table 7: The first alternative hypothesis testing

Computed(T)	Tabulated (T)	Sig.2-tailed	Result
7.033	2.045	0.000	Acceptance

Ha2: Management accounting staffs realize the obstacles of responsibility accounting application in Jordanian public share holding companies listed at Amman stock exchange.

By analyzing these responses through (16) factors given for measuring the importance that are related to the obstacles of the application of responsibility accounting , the responses for the majority were ranged (67.03% - 83.78%) , with an average between (3.35 – 4.19) for all paragraphs shown in tables nos.(8) ,and (9) ,the highest percentage

(83.78%) is related to paragraph no.(24) which is dealing with not availability of standard cost accounting system for measuring performance in these companies , followed by paragraph no.(28) , which has focused on the paragraph that is related to insufficiency of understanding of cost accounting system with a percentage (83.24%) . using of computer system has an important role with a percentage (80.54%) , paragraph no.(22) has focused on inadequacy of training courses in relation to management accounting techniques , with a percentage (78.38%) , in general , the average for all paragraphs is (3.74) or (74.80%) , the arithmetic mean is more than (3) , which is within class (3 - 4) .

Table 8: Obstacles of Responsibility Accounting Application

No.	Title	Percentage of Responses				
		(5)	(4)	(3)	(2)	(1)
18	There is no specific system for incentives.	0	28	6	3	0
		0	75.7%	16.2%	8.1%	0
19	There is no objective basis for employee promotions.	2	23	10	2	0
		5.4%	62.2%	7%	5.4%	0
20	The incentives given are not related with the employee's achievement.	0	16	18	3	0
		0	43.2%	48.6%	8.1%	0
21	The dealings among employees are not fair.	0	19	18	0	0
		0	51.4%	48.6%	0	0
22	The employees 'training programmes are not adequate.	5	26	4	2	0
		13.5%	70.3%	10.8%	5.4%	0
23	There are no bases for establishing performance reports.	0	19	18	0	0
		0	51.4%	48.6%	0	0
24	There is no standard costing for performance measuring.	14	16	7	0	0
		37.8%	43.2%	18.9%	0	0
25	There is no a uniform system for the performance reports.	2	20	13	2	0
		5.4%	54.1%	35.1%	5.4%	0
26	The report's contents if any are not clear	1	30	6	0	0
		2.7%	81.1%	16.2%	0	0
27	There is no system for comparing of actuals with standards	0	13	24	0	0
		0	35.1%	64.9%	0	0
28	There is no enough understanding for the cost accounting system.	14	17	4	2	0
		37.8%	45.9%	10.8%	5.4%	0
29	Scarcity of performance reports.	0	31	6	0	0
		0	83.8%	15.2%	0	0
30	There are no interests in using computers.	6	26	5	0	0
		16.2%	70.3%	13.5%	0	0
31	There is no ccoordination among all responsibility centers.	6	21	8	2	0
		16.2%	56.8%	21.6%	5.4%	0
32	There is no association between budgets and responsibility accounting.	0	21	16	0	0
		0	56.8%	43.2%	0	0

This hypothesis has been tested through questions (18) to (32) that can be summed up as in table no.(9), which shows mean , standadrd deviation ,and the the relative importance .

Table 9: Mean ,relative importance and deviations

No.	Mean	Std. Deviation	Relative	Ordering
24	4.19	0.74	83.78	1
28	4.16	0.83	83.24	2
30	4.03	0.55	80.54	3
22	3.92	0.68	78.38	4
26	3.86	0.42	77.30	5
29	3.84	0.37	76.76	6
31	3.84	0.76	76.76	6
18	3.68	0.63	73.51	7
19	3.68	0.67	73.51	7
25	3.59	0.69	71.89	8
32	3.57	0.50	71.35	9
21	3.51	0.51	70.27	10
23	3.51	0.51	70.27	10
20	3.35	0.63	67.03	11
27	3.35	0.48	67.03	11
All	3.74	0.39	74.80	

One-Sample T-Test shows that the computed (t) is (11.636), significance level P . value = (0.000) is less than (5%), on this basis , alternative hypothesis is accepted , which means , that Management accountaning staffs realize the importance of factors that are related to the obstacles of responsibility accounting application in Jordanian public share holding companies listed at Amman stock exchange with a percentage (74.80%) , as it is shown in table no.(10) .

Table 10: TheSecondAlternative HypothesisTesting

Computed(T)	Tabulated (T)	Sig.2-tailed	Result
11.399	2.045	0.000	Acceptance

Ha3:The respondents' perceptions of factors related to the responsibility ccounting rudiment (features) in the industrial companies are significantly varied according to their demographic variables (Qualification, Specialization, Age, Gender, and Professional Certificates),

Another major hypothesis of this study was relevant to the possible significant difference in the employees' perception of factorstoward responsibility ccounting rudiment (features) according to some demographic variables, such as Qualification, Specialization, Age, Gender, and Professional Certificates. To test this hypothesis, analysis of variance was conducted, the results of this analysis indicated that all demographic factors had no effects on the employees' perception. Table (11) shows these results . The findings shown

in Table (11) indicate that (P.value) is more than 0.05 ,therefore , the alternative hypothesis is not supported , which means , that there are no significant differences related to Qualification, Specialization, Age, Gender, and Professional Certificates of the respondents toward the differences in the application of responsibility accounting rudiments , it means that the responsibility accounting activities would go through standards and bases set by companies regardless of these characteristics

Table 11: One Way ANOVA Towards Obstacles

<u>Variables</u>	<u>Variance</u>	<u>Sum of Squares</u>	<u>d.f</u>	<u>Mean Square</u>	<u>F</u>	<u>Sig.</u>	<u>Result of Ha3</u>
Qualification	Between Groups	.173	1	.173	1.071	.308	Rejected
	Within Groups	5.670	35	.162			
	Total	5.843	36				
Specialization	Between Groups	.270	1	.270	1.694	.202	Rejected
	Within Groups	5.574	35	.159			
	Total	5.843	36				
Age	Between Groups	.076	1	.076	.462	.501	Rejected
	Within Groups	5.767	35	.165			
	Total	5.843	36				
Gender	Between Groups	.002	1	.002	.009	.923	Rejected
	Within Groups	5.842	35	.167			
	Total	5.843	36				
Professional Certificate	Between Groups	.090		.090	.546	.465	Rejected
	Within Groups	5.754		.164			
	Total	5.843					

4 Conclusions and Recommendations

It has become obvious that management of public shareholding companies should understand the need for responsibility accounting. Management should consider the tools of profit planning, the implications and challenges, By analyzing the respondents' personal characteristics, it can be observed that percentage of respondents who are having professional certificates (17.9%), it means that these companies do not recruit CPAs , or CMAs as well as the local ones like Jordanian Certified Public Accountants (JCPA), due to the size of their financial allowances compared with who are not having these certificates .The majority of respondents who are having accounting speciality (89.20%), of which (83.30%) are males , the reason for that is due to the nature of this profession in which require more effort and long period of work on hours in which females refuse .The most important rudiments (features) that have the highest relative importance for this group shown in table (5) as compared with others in the questionnaire are: the availability of organizational structure in the company with (72.43%) , and (71.89%) for each of questions (3) , (2) , and (17) with averages (3.59) for each of effectiveness of the applied organizational structure, clarity of cost accounting . The lowest percentage for the

responsibility accounting rudiments applies in the company, is the applicability of budgetary control technique that has (63.24%), this conclusion agrees with Odum, A. N. [26], and Standard cost in respective centers with (64.86%), on this regard, one can say there is ignorance towards the role that can budgetary control techniques with standard costing together in rationalising the management decision in these companies. The obstacles that can take the first rank among them are insufficiency of employee training programs in managerial accounting, standard costing system, and computer systems with combined percentages (74.80%) as shown in tables (8), (9). In general, the study concluded that there is an availability background for the implementing of responsibility accounting with percentage of (69.40%), it means, the tendency of the applicability of responsibility accounting in these companies was weak, therefore such weak tendency will be questionable because it weakens the ability of these companies in controlling the operational and financial performance to their centers. The percentage of the obstacles that might deter this applicability is (74.80%), this percentage is high. The study recommended the necessity for public shareholding companies to give generally more interest to managerial accounting, specifically for responsibility accounting by recruiting professionals in accounting departments, particularly, CMAs. The necessity for applying budgeting control and cost accounting system, improving the status for the management accountants through financial and nonfinancial aspects, holding workshops and training courses in responsibility accounting, and giving more interest by researchers to responsibility accounting topics like the behavioral aspects for employees to boost productivity.

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