**PROPER RECORD KEEPING: AN EFFECTIVE TOOL FOR MEASURING SMEs PERFORMANCE**

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**ABSTRACT**

This research investigates the importance of effective record-keeping practices for Small and Medium-scale Enterprises in Nigeria, specifically in the Ilorin Metropolis. Despite SMEs' significant contributions to the Nigerian economy, many operators struggle with maintaining accurate financial records, which impacts their performance and sustainability. Through a descriptive research design and survey method, data were collected from fifty SME operators, revealing insights into their record-keeping practices, challenges, and perceptions.

The study highlights the importance of record keeping in assessing SME performance, maintaining accountability over assets, and informing strategic decisions. Using the Decision Usefulness Theory as a theoretical framework, the research demonstrates a robust connection between efficient documentation practices and the performance of small and medium-sized businesses. Empirical analysis supports the notion that SMEs with proper record-keeping systems tend to achieve higher levels of profitability, efficiency, and sustainability.

Key findings underscore the need for enhanced awareness, training, and access to resources to improve record-keeping practices among SMEs. Recommendations include collaborative efforts among government agencies, industry associations, and educational institutions to provide training programs, technical assistance, and policy support to encourage SMEs to adopt best practices in record keeping.

In conclusion, the research emphasizes that proper record keeping is essential for SME management and performance measurement. By implementing effective record-keeping systems and leveraging available support mechanisms, SMEs can enhance their financial transparency, operational efficiency, and long-term viability.

**KEYWORDS:** SMEs, Record-keeping, Performance, Decision Usefulness Theory, Nigerian Economy.

**1.0 INTRODUCTION**

Proper record-keeping is a crucial tool for assessing the performance of Small and Medium-scale Enterprises (SMEs), especially in developing economies like Nigeria. According to the Nigerian Bureau of Statistics (2020), approximately 60 million Nigerians, or 84.02% of the labor force, were employed in the MSME sector. Furthermore, MSMEs contributed 53% to Nigeria's GDP and 6.5% to its exports in 2019 (Ogunleye et al., 2022). These enterprises are essential for driving economic growth, job creation, and technological advancement.

Despite their significance, many MSME operators in Nigeria struggle with maintaining effective record-keeping practices. Effective record-keeping is crucial not only for evaluating business performance but also for ensuring accurate financial statements and improving the likelihood of securing bank financing (Ibrahim & Alabi, 2021). An organized accounting system allows SMEs to track financial transactions, monitor progress, and make informed strategic decisions.

The absence of proper record-keeping raises several fundamental questions: How essential is record-keeping for evaluating SME performance? What role does it play in maintaining accountability over assets? How does it influence strategic business decisions? This study aims to address these questions and demonstrate that effective record-keeping is a fundamental tool for measuring and enhancing SME performance.

**1.1 Statement of Problem**

The practice of record-keeping in small businesses involves documenting monetary transactions and events, whether done manually or electronically. The primary aim is to create a reliable source of information that allows for the financial assessment of a business at a given moment (Aladejebi & Oladimeji, 2019). Effective record-keeping enables business owners to accurately track their financial transactions in daily operations (AbdulRahaman & Adejare, 2014). Poor record-keeping can lead to mismanagement, which may undermine business operations (Dawuda & Azeko, 2015). This mismanagement has led to the failure of many businesses, highlighting the crucial need to understand the significance of financial documentation.

Small and Medium Enterprises (SMEs) are required to maintain financial records to obtain tax clearance certificates, which are crucial for bidding on contracts and booking travel. Detailed accounting records are also required for securing bank loans. Inadequate record-keeping complicates the separation of business and personal transactions for SME operators (Adesina & Ogunleye, 2020; Okeke et al., 2021). Furthermore, the lack of proper financial documentation often impedes SMEs' ability to access loans from financial institutions (Adebiyi et al., 2022). In addition to fulfilling legal requirements, most SMEs often neglect to implement robust accounting systems, leading to inadequate record-keeping and the closure of numerous businesses in Nigeria.

Recent research by Adesina and Ogunleye (2020), Okeke et al. (2021), and Adebiyi et al. (2022) links the failure of SMEs to poor financial documentation practices.

**1.2 Objectives of the Study**

The main goal of this research is to explore the importance of proper financial documentation for SME operators as a crucial tool for assessing the performance of small and medium-scale enterprises. Specifically, the aims are to examine how record-keeping affects business strategic decisions and its role in ensuring accountability over SME assets. This study aims to enhance the current literature on the necessity of accurate accounting records for SMEs and offer valuable insights for SME operators, government agencies, and researchers.

**2.0 LITERATURE REVIEW**

To achieve the stated objectives, the theoretical framework is guided by Decision Usefulness Theory while the conceptual framework for the study focuses on various aspects of record keeping and its usefulness to the SMEs.

**2.1 Theoretical Review**

The conceptual framework of this research is based on the Decision Usefulness Theory. Formulated by a committee of the American Accounting Association in 1966, this theory emphasizes the importance of decision usefulness in selecting accounting measurements. Essentially, it asserts that the relevance of bookkeeping information to the user directly impacts their ability to predict economic and financial events accurately. In other words, the theory suggests that the more pertinent the accounting information is to the user's decision-making process, the more effectively they can anticipate future economic and financial outcomes.

This theory implies that businesses, especially small enterprises, can enhance their performance by utilizing information obtained through systematic record-keeping procedures. By maintaining accurate and comprehensive records derived from the organization's books of account, entities can evaluate their viability effectively. These records are instrumental in measuring performance metrics and forecasting the long-term sustainability of the organization.

Accurate and comprehensive records derived from the organization's books of account are crucial in assessing the viability of micro-enterprises. These records play an important role in measuring effectiveness and forecasting the future viability of the organization. The Decision Usefulness Theory is supported by various scholars, including Ibrahim and Alabi (2021) and Adebiyi et al. (2022).

**2.2 The Concept of Small and Medium-Scale Enterprises**

The definition of SMEs in Nigeria has changed over time. According to the National Council on Industry (NCI), SMEs are categorised based on their number of employees and annual turnover. As of the latest guidelines, a small enterprise is defined as having fewer than 50 employees and an annual turnover of less than ₦50 million, while a medium-scale enterprise employs between 51 and 200 employees and has an annual turnover between ₦50 million and ₦500 million (Akinola, 2021). In their comprehensive analysis, Adesina and Ogunleye (2020) emphasize that SMEs in Nigeria are characterised by their relatively small size compared to large corporations, limited access to capital, and a high degree of flexibility and adaptability. These characteristics enable SMEs to respond quickly to market changes and consumer needs.

SMEs are critical to Nigeria's economic sector. According to the Nigerian Bureau of Statistics (2020), SMEs contribute approximately 50% to Nigeria's GDP and account for about 80% of employment. This significant contribution highlights the importance of SMEs in driving economic growth and development.

**2.3 Importance of Record Keeping in SMEs**

Proper record keeping is crucial for effective financial management in SMEs. According to Nwobodo et al. (2023), accurate financial records enable SMEs to track their income, expenses, and profitability, which is essential for budgeting and financial forecasting. They argue that SMEs with well-maintained records are better positioned to make informed financial decisions and attract investors.

Compliance with legal and regulatory requirements is another critical aspect of record keeping. Smith and Brown (2022) emphasize that maintaining accurate records helps SMEs adhere to tax laws, labor regulations, and industry standards, reducing the risk of legal penalties and audits. They also highlight that effective record keeping contributes to risk management by providing a clear audit trail and evidence in case of disputes.

Record keeping enhances operational efficiency by streamlining processes and reducing administrative burdens. According to Patel and Singh (2024), SMEs with organized records can more easily track inventory, manage supplier relationships, and monitor operational performance. This efficiency leads to better resource allocation and improved overall productivity.

For strategic planning and growth, record keeping provides valuable data on business performance and market trends. Ochieng and Olsson (2023) assert that historical records offer insights into business patterns, customer preferences, and competitive dynamics, which are critical for strategic decision-making and identifying growth opportunities.

**2.4 Challenges in Record Keeping**

One of the primary challenges SMEs face in record keeping is the lack of knowledge and skills among their owners and staff. According to Ilias et al. (2022), many SME owners do not have formal training in accounting or finance, leading to inadequacies in maintaining accurate and comprehensive records. This lack of expertise often results in the mismanagement of financial documents and the inability to produce reliable financial statements.

Resource constraints is another significant obstacle for SMEs. Studies by Jones and Kalu (2020) indicate that limited financial and human resources make it difficult for SMEs to invest in sophisticated accounting software or hire professional accountants. This limitation forces many SMEs to rely on manual record-keeping methods, which are more prone to errors and less efficient compared to automated systems.

Attitudinal barriers also contribute to poor record-keeping practices. As noted by Maseko and Manyani (2011), some SME owners perceive record keeping as an unnecessary burden rather than a critical business function. This perception leads to neglect in maintaining proper records, which can have adverse consequences for business operations, including difficulties in accessing credit and making informed financial decisions.

The adoption of digital technologies in record keeping presents both opportunities and challenges for SMEs. While technology can streamline record-keeping processes, many SMEs struggle with the initial implementation and ongoing maintenance of these systems. According to a study by Lungu and Chitechi (2019), factors such as high costs, lack of technical support, and cybersecurity concerns hinder SMEs from fully embracing digital record-keeping solutions.

Compliance with regulatory requirements is another area where SMEs face challenges. Ibrahima et al. (2019) argue that the complexity of tax laws and other financial regulations can be overwhelming for small business owners, leading to non-compliance and potential legal issues. This situation is exacerbated by the rapid changes in regulatory environments, which SMEs may find difficult to keep up with.

The challenges in record keeping have direct implications for the performance and sustainability of SMEs. Poor record-keeping practices can lead to inaccurate financial reporting, which affects decision-making and strategic planning. Adeyeye et al. (2018) highlight that SMEs with inadequate record-keeping systems are at a higher risk of financial distress and business failure.

**2.5 Impact of Record-Keeping on SME Performance**

Accurate financial records offer valuable insights into a business's financial condition, enabling owners to pinpoint areas of strength and weakness. Proper record-keeping ensures compliance with regulatory requirements and boosts credibility with stakeholders such as investors, lenders, and government agencies. However, despite these benefits, many SME owners neglect proper record-keeping. McMahon (1998) suggests that even basic record-keeping practices are often overlooked because owners may perceive them as offering little insight into current operations and having minimal impact on performance.

Recent research underscores the significance of record-keeping. For example, Maseko and Manyani (2011) found that SMEs with effective record-keeping practices reported improved financial performance and had better access to credit. Similarly, Amoako (2013) noted that SMEs with strong accounting practices saw enhanced decision-making and business growth. Agyei-Mensah (2020) further corroborated these findings, demonstrating that SMEs with advanced accounting practices achieved greater profitability and sustainability. These studies highlight the crucial role of financial documentation in the performance and sustainability of SMEs.

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**2.6 Empirical Review**

According to Okoli (2011), SME operators who did not maintain proper records were unable to effectively assess their performance. He argued that proper accounting practices are essential for increasing profitability and ensuring the continuity of SMEs. Bwana and Mwakujonga (2013) conducted a study in Tanzania and found that many respondents were unaware that financial records could be used to evaluate performance, progress, financial strength, and aid in the decision-making process.

In a study by Abdul Rahamon (2013), it was revealed that 19 percent of respondents strongly agreed that financial documentation is essential for decision-making and for implementing necessary changes in the business, while 41 percent agreed, 11 percent were uncertain, 21 percent disagreed, and 8 percent strongly disagreed. Maseko and Manyani (2011) examined 100 small and medium-sized enterprises in Zimbabwe and found that the absence of accounting knowledge and the expense of employing professional accountants were key factors preventing these enterprises from keeping adequate records.

Mbroh and Atom (2011) found that 59 percent of small and medium-sized enterprises in Ghana did not use formal accounting methods due to limited education and a lack of accounting knowledge. Additionally, Agbemva et al. (2016) found that a majority of respondents in Ghana attributed their business growth to the preparation of financial statements. These findings align with Abdul Rahamon and Adejare's (2014) study, which highlighted a strong positive correlation between effective accounting record-keeping and the growth of small and medium-sized enterprises.

**3.0 RESEARCH METHODOLOGY**

The study aimed to examine the necessity of proper record-keeping among SME operators. A descriptive research design was adopted, utilizing a survey method to gather information and determine the correlation between the research variables from the respondents.

**3.1 Sample Selection**

The study randomly selected fifty SMEs from the Ilorin Metropolis in Nigeria, representing a diverse range of industries and sectors within the local economy.

**3.2 Data Collection**

Structured questionnaires were administered to fifty respondents, consisting of SME owners and operators. These questionnaires collected information on the characteristics of the businesses, the owners' perceptions of record-keeping, and their current record-keeping practices..

**3.3 Data Interpretation**

The data gathered from respondents were analysed using descriptive statistical tools such as frequency distribution and percentages. Furthermore, the hypotheses developed for the study were empirically evaluated using analysis of variance (ANOVA) to determine significant relationships between variables.

**4.0 RESULTS AND DISCUSSION**

Data were collected from fifty SME operators in the Ilorin metropolis using a questionnaire designed with a Likert scale ranging from Strongly Agree to Strongly Disagree, which gathered information about their business financial records.

**4.1 Data Presentation and Analysis**

This section of the study outlines the socio-economic characteristics of the respondents in the study area. Information was collected through questions regarding the respondents' gender, age, educational background, and other pertinent factors.

**4.2 Gender of the Respondents**

The table below reveals that most SME operators were male, comprising 66% of the total, while female operators accounted for 34%.

**Table 1: Gender of the Respondents**

|  |  |  |
| --- | --- | --- |
| Gender | Frequency | Percentage |
| Male | 33 | 66 |
| Female | 17 | 34 |
| Total | 50 | 100% |

**Source:** Field Work, 2023

**4.3 Age of the Respondents**

The survey indicates that the ages of respondents in the study area range from 20 to 61 years. Notably, 60% of respondents are between 20 and 40 years old, 32% are between 41 and 60 years old, and 8% are 61 years or older. This suggests that the sample population of SME operators is predominantly young.

**Table 2: Age of the Respondents**

|  |  |  |
| --- | --- | --- |
|  Age |  Frequency  |  Percentage |
| 20 - 40 |  30 | 60 |
| 41 - 60 |  16 | 32 |
| 61 and Above |  04 | 8 |
| Total |  50 | 100 |

**Source:** Field Work, 2023

**4.4 Educational Status of the Respondents**

The survey results reveal the educational backgrounds of the respondents. Specifically, 8% have primary education, 32% have secondary education, 56% have tertiary education, and 4% have no formal education. This indicates that a significant portion of the respondents, 56%, are either graduates or undergraduates of tertiary institutions.

**Table 3: Educational Status of the Respondents**

|  |  |  |
| --- | --- | --- |
| Educational Status | Frequency | Percentage |
| Primary  | 4 | 8 |
| Secondary | 16 | 32 |
| Tertiary | 28 | 56 |
| No Formal Education | 2 | 4 |
| Total | 50 | 100 |

**Source:** Field Work, 2023

**4.5 Type of Industry**

The survey results show that respondents were engaged in a range of industries, with trading or commercial enterprises being the most prevalent at 42%. This was followed by service businesses at 34%, agriculture at 16%, and manufacturing at 8%.

**Table 4: Types of Industry**

|  |  |  |
| --- | --- | --- |
| Industry | Frequency | Percentage |
| Agriculture | 8 | 16 |
| Commercial | 21 | 42 |
| Industrial/Manufacturing | 4 | 8 |
| Service Business | 17 | 34 |
| Total | 50 | 100 |

**Source:** Field Work, 2023

**4.6 Type of Business Ownership**

Regarding ownership, the survey results indicate that most SMEs were sole proprietorships, accounting for 46% of the total. This was followed by partnerships at 28%, limited liability companies at 16%, and registered cooperative societies at 10%.

**Table 5: Types of Business Ownership**

|  |  |  |
| --- | --- | --- |
| Business Ownership | Frequency | Percentage |
| Sole Proprietorship |  23 |  46 |
| Partnership |  14 |  28 |
| Limited Liability Companies |  08 |  16 |
| Cooperative Societies |  05 |  10 |
| Total |  50 |  100 |

**Source:** Field Work, 2023

**4.7 Type of Business Records Maintained by SME Operators**

The survey results reveal the types of business records maintained by SME owners: 36% kept a sales ledger, 8% recorded income and expenditure, 20% maintained a cash book, 12% used a purchase ledger, and 24% did not keep any records of their business transactions.

**Table 6: Type of Business Records Maintained by SME Operators**

|  |  |  |
| --- | --- | --- |
| Business Records | Frequency | Percentage |
| Sales Ledger |  18 |  36 |
| Income and Expenditure |  04 |  08 |
| Cash Book |  10 |  20 |
| Purchase Ledger |  06 |  12 |
| No Record of Transactions |  12 |  24 |
| Total |  50 |  100 |

**Source:** Field Work, 2023

**Table 7: Descriptive Statistics for Response to the Need for Proper Record Keeping Among SME Operators**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S/N | Statements |  Mean | Standard Deviation | Response Options |
| 1 | Record-keeping supplies the information needed for making strategic business decisions. | 2.9472 | .80598 | Agreed |
| 2 | Effective record-keeping enables SME operators to conduct a thorough evaluation of their performance. | 2.8015 | .81442 | Agreed |
| 3 | Record-keeping assists in ensuring proper accountability for a company's assets, such as inventory, furniture, and other items. | 3.2990 | .52140 | Agreed |
| 4 | Good record-keeping practices help in efficiently allocating resources. | 2.9975 | .54749 | Agreed |
| 5 | Record-keeping is crucial because it positively influences the sustainability and growth of SMEs. | 3.1965 | .64079 | Agreed |
| 6 | Proper record-keeping determines the accurate taxes a firm must pay and helps ascertain whether the firm is making a profit. | 3.0477 | .80629 | Agreed |
| 7 | Proper record-keeping ensures that a firm pays accurate taxes, thereby preventing over-taxation or underpayment. | 1.9836 | .42523 | Disagreed |
| 8 | Effective record-keeping allows businesses to plan appropriately and prevent resource misappropriation. | 3.0000 | .77427 | Agreed |

\* The acceptance mean point for the items was set at 2.50. Any mean (𝑥̅) of 2.5 or above is considered a positive response, while any mean below 2.50 is considered a negative response..

**Hypotheses Testing**

**Hypothesis 1:**

H01: Record-keeping is unnecessary for evaluating SME performance in Kwara State, Nigeria.

**ANOVA Table 8: The necessity of record-keeping in evaluating SME performance in Kwara State, Nigeria.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Analysis Tools | Sum of Squares | Degree of Freedom | Mean Square | F | Sig. |
| Regression | 91.620 | 1 | 91.620 | 9.665 | .000b |
| Residual | 455.016 | 48 | 9.480 |  |  |
| Total | 546.636 | 49 |  |  |  |

**a.** Dependent Variable: Statement 2: Record Keeping **b.** Predictors: (Constant), Q1: Assessment of SMEs Performance.

To test hypothesis 1, variables Record Keeping and Assessment of SMEs Performance were subjected to empirical tests. Given a degree of freedom of 1, 48, F-stat of 9.665; p=0.000, it can be observed that record keeping is essential in the assessment of SMEs performance in Kwara State. This result provides compelling evidence to reject the null hypothesis and support the alternative hypothesis, which asserts that record-keeping is essential for evaluating SME performance in Kwara State, Nigeria.

**Hypothesis 2:**

H02: Record-keeping does not have a substantial effect on business strategic decisions in Kwara State, Nigeria.

**ANOVA Table 9:** The effect of record-keeping on business strategic decisions in Kwara State, Nigeria.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Analysis Tools | Sum of Squares | Degree of Freedom | Mean Square | F | Sig. |
| Regression | 67.080 | 1 | 67.080 | 6.955 | .000b |
| Residual | 462.957 | 48 | 9.644 |  |  |
| Total | 530.037 | 49 |  |  |  |

**a.** Dependent Variable: Statement 1: Record Keeping **b.** Predictors: (Constant), Q3: Business Strategic Decisions.

In testing the second hypothesis, the study employed ANOVA to analyse the relationship between proper documentation and business strategic decisions. The results indicate that record-keeping positively influences business strategic decisions. With an F-statistic of 6.955 and a p-value of 0.000, there is sufficient evidence to reject the null hypothesis and support the alternative hypothesis. This indicates that proper knowledge and skills in record-keeping will enhance business strategic decisions.

**Hypothesis 3:**

H03: There is no significance of record-keeping in ensuring good accountability for the assets of SMEs in Kwara State, Nigeria.

**ANOVA Table 10:** Role of record-keeping in maintaining accountability over assets of SMEs in Kwara State, Nigeria.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Analysis Tools | Sum of Squares | Degree of Freedom | Mean Square | F | Sig. |
| Regression | 71.020 | 1 | 71.020 | 7.427 | .000b |
| Residual | 459.017 | 48 | 9.562 |  |  |
| Total | 530.037 | 49 |  |  |  |

**a.** Dependent Variable: Statement 5: Record Keeping **b.** Predictors: (Constant), Q2: Good accountability.

In testing hypothesis 3, the study used ANOVA to analyse the variables of record-keeping and good accountability. According to the results, record-keeping is significantly important for maintaining good accountability of the assets of SMEs in Kwara State, Nigeria. The F-statistic is 7.427 with a p-value of 0.000. This provides compelling evidence to reject the null hypothesis and support the alternative, confirming that financial documentation plays a crucial role in maintaining accountability over assets of SMEs in Kwara State, Nigeria.

**5.0 DISCUSSION**

The study set out to examine the importance of proper record-keeping for SME operators, focusing on its impact on performance assessment, strategic decision-making, and accountability over assets. The results affirm that proper record-keeping is crucial for evaluating the performance of SMEs. Consistent with the Decision Usefulness Theory, which underscores the relevance of accounting information in decision-making, the data indicate that effective record-keeping practices enable SME operators to conduct thorough evaluations of their performance. This aligns with previous studies (Ibrahim & Alabi, 2021; Adebiyi et al., 2022), which highlight that comprehensive records derived from the organization’s books of account are instrumental in measuring performance metrics and forecasting long-term sustainability.

The empirical evidence suggests that record-keeping significantly influences strategic business decisions. This supports the findings of Amoako (2013) and Agyei-Mensah (2020), who demonstrated that SMEs with strong accounting practices exhibit enhanced decision-making capabilities and business growth. The statistical analysis showed a clear correlation between proper documentation and strategic decision-making, reinforcing the idea that organized financial records provide valuable insights for planning and resource allocation.

The study also highlights the critical role of record-keeping in maintaining accountability over SME assets. The results confirm that proper financial documentation helps in tracking and managing assets, thus preventing misappropriation and ensuring accurate financial reporting. This aligns with Smith and Brown (2022), who emphasize that maintaining accurate records helps SMEs adhere to tax laws and other regulatory requirements, thereby reducing the risk of legal penalties and audits. Furthermore, the findings indicate that SMEs with adequate record-keeping systems are better positioned to secure bank loans and other forms of financing. This is consistent with Abdul Rahamon and Adejare (2014), who noted a strong positive correlation between effective accounting record-keeping and the growth of SMEs. The data suggest that well-maintained records enhance the credibility of SMEs with stakeholders such as investors and lenders, facilitating access to financial resources necessary for expansion and sustainability.

Despite the clear benefits of record-keeping, the study reveals several challenges faced by SMEs in maintaining proper financial documentation. The lack of knowledge and skills in accounting among SME owners and staff is a significant obstacle. Many respondents admitted to inadequate training in financial management, which leads to poor record-keeping practices. This finding is consistent with Ilias et al. (2022) and Maseko and Manyani (2011), who highlighted that limited education and a lack of accounting knowledge are major barriers to effective record-keeping. Resource constraints also pose a significant challenge. Limited financial and human resources make it difficult for SMEs to invest in sophisticated accounting software or hire professional accountants. Consequently, many SMEs rely on manual record-keeping methods, which are prone to errors and inefficiencies. This finding corroborates Jones and Kalu (2020), who pointed out that resource limitations force SMEs to adopt less effective financial documentation methods.

**6.0 CONCLUSION**

This study has demonstrated the critical role of proper record-keeping in the performance and sustainability of SMEs in Nigeria. The findings align with the Decision Usefulness Theory, emphasizing that accurate and comprehensive financial records are essential for informed decision-making, strategic planning, and accountability. Despite the challenges faced by SMEs, such as lack of accounting knowledge, resource constraints, and attitudinal barriers, there are clear pathways to improving record-keeping practices.

By addressing these challenges through targeted training, affordable accounting solutions, awareness campaigns, and promoting a culture of accurate record-keeping, SMEs can enhance their financial management capabilities. This, in turn, will enable them to contribute more effectively to Nigeria's economic growth, job creation, and technological advancement.

**7.0 RECOMMENDATIONS**

Based on the results of this study, several recommendations can be made to enhance record-keeping practices among SMEs in Nigeria:

1. Government agencies, non-governmental organizations, and private sector stakeholders should collaborate to provide regular training programs for SME owners and staff. These programs should focus on basic accounting principles, the importance of financial documentation, and the use of accounting software.
2. Incorporating record-keeping training into entrepreneurship development programs can help new business owners start with a solid foundation in financial management.
3. Develop and promote affordable and user-friendly accounting software tailored to the needs of SMEs. This can help overcome the challenges of resource constraints and the lack of technical expertise.
4. Government and financial institutions can provide subsidies or low-interest loans specifically for the adoption of digital record-keeping solutions.
5. Launch awareness campaigns to educate SME operators on the critical importance of proper record-keeping. These campaigns can highlight the benefits of accurate financial documentation, such as improved access to finance, better business decision-making, and compliance with regulatory requirements.
6. Success stories of SMEs that have benefited from proper record-keeping can be showcased to motivate others.

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