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MANAGEMENT ACCOUNTING INFORMATION AS DETERMINANTS FOR SUSTAINABLE SMALL AND MEDIUM SCALE ENTERPRISES – OGUN STATE EXPERIENCE

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ABSTRACT

In order to ensure sustainability, it is imperative to assess the role management accounting information utilisation plays in helping Small and Medium-Scale Enterprises (SME) operators achieve profit targets. Three hundred forty-four (344) respondents were randomly selected from a total of 2,465 in Ogun State using Taro Yamane's (1967) formulae. A 5-point Likert scale questionnaire was designed and sent to participants using Google Form software. Using SPSS version 23.0, the responses were analysed using a T-test at $\alpha=0.05$ significance level. Results showed that the majority of SME owners reported that their accountants always provided management accounting information (MAI) and that utilisation of the accounting information contributed 20.9% of their intended profit. There was an insignificant association (-.222) between sustainable SMEs and the enterprises' profit trend, suggesting that a consistent rise in SMEs' profits does not ensure their long-term viability. It was concluded that SME operators' utilisation of management accounting information affects the viability of SMEs in the studied region. It is advised that relevant government bodies enact and implement policies on the need for SME owners to outsource their accounting duties if they cannot afford to hire accountants. This is expected to encourage the expansion of SME activities in a sustainable manner and improve the effectiveness of their operations.

Keywords: Challenges, Sustainable SMEs, Management Accounting Information (MAI), and Target Profit

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INTRODUCTION

Small and medium-scale enterprises (SMEs) play prominent roles in contributing to the Gross Domestic Product (GDP) and employment in all nations. According to Tuf-four et al. (2020), SMEs reduce inequality,

which is essential for economic growth and empower people to use their creativity to find novel solutions to pressing social issues, which correspondingly results in job establishment. Small and medium-sized businesses, on the other hand, have a relatively "poor

survival rate, especially in the first five years of commerce as opined by Hossain, (2020). Since SME owners/operators make time-consuming economic and financial decisions that contribute to their success and development on a daily basis, the accounting information needs of this sector—primarily management accounting information—that is regarded for decision-making have been viewed as a prerequisite for the sector to improve the functioning of the SME sector (Sucuahi, 2013 and Hossain, 2020).

Management accounting information denotes the intensive awareness and experiences relating to financial impressions, such as determining cost price, variable cost, fixed cost, and marginal contribution, to understand different cost behaviours, which will thereafter assist in fixing product prices (SMEs). The ability to use these financial concepts will allow SME owners/operators to make informed and more effective decisions regarding the management and use of money. It is therefore imperative to evolve research aimed at assessing the utilization of Accounting Information given its potential for tremendous positive impact on the sustenance of SMEs in Nigeria. This becomes a pressing issue as a need to diagnose the high rate of SME failures in Ogun State, Nigeria.

The advancement of accounting information and usage in small- and medium-sized firms is rather sluggish because of the limitations of lack of maintenance expenses, lack of management attention, and lack of professional touch (Meng, 2022). This is so because the majority of small and medium-sized businesses are in the beginning or development stages, and many are struggling with a lack of resources and skills. Addition-

ally, Meng (2022) reported that the management of firms is more receptive to investing limited resources in a real company and that they pay more attention to the input-output ratio. Therefore, the researcher's main focus in the study of management accounting information as a factor in sustainable SMEs is how the discipline of accounting, particularly Management Accounting Information (MAI), might assist to combat the myth of SME failures in Ogun State, Nigeria. This calls for research specifically on the use of accounting information factors that could have a significant positive impact on the survival of SMEs in Nigeria, reducing their failure rate, improving management efficiency in relation to the use of management accounting information, and ultimately promoting their economic development.

The research questions deemed essential to direct the study are:

- What are the obstacles to and/or determinants of sustainable SMEs in Ogun State, Nigeria?
- Do SMEs face any difficulties as a result of a lack of relevant and vital Management Accounting Information (MAI)?
- How well do SMEs use MAI when making business decisions,
- How has it improved their operations?

LITERATURE REVIEW

Basic concepts of SMEs

The primary issue concerning the definition or description of micro, small and medium enterprises (MSMEs) has been addressed by the National Policy on MSMEs introduced by the Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN). It adopts twin-criteria class limits, number of employees, and assets base but excludes the land-building properties (Table 1). However, the employees' condi-

tion holds preference in favour of assets based on deciding any category disagree-

Table 1: Classification of Micro, Small and Medium Scale Enterprises in Nigeria

S/N	Category	Employee Size	Assets (₦ Million) (excl. Land and buildings)
1	Micro enterprises	< 10	< 10
2	Small enterprises	10 to 49	10 to < 100
3	Medium enterprises	50 to 199	100 to < 1,000

Source: SMEDAN National Policy on MSMEs, 2015

What exactly constitutes SMEs, and what are their Economic characteristics?

Definitions vary broadly from nation to nation, and even within single countries, which are subject to the business environment of that country, constitute an SME. There are no universal, generally accepted criteria or definition of an SME because of the dynamism and peculiarities of different countries economies. For instance, some African countries, such as Ghana, and South Africa, qualify small businesses (SMEs) as 'micro, very small, small or medium-sized enterprises in four distinct categories (Table 2). The various categories are based on the number of workers, the high-

est net revenue, and the overall gross assets. Similarly, countries like Cambodia, Indonesia, Philippines, etc., however, hinge on the business atmosphere of the host country, as well as the attractiveness of its business sector, from which a relative measure of an SME is then typically made, sometimes on a rather haphazard basis, Other countries such as Vietnam, Lao People's Democratic Republic, Malaysia, and others just use the number of employees as a criterion, plus an additional criterion like the asset base and annual sales turnover. (Small and Medium Enterprise Development Authority (Pakistan) website www.smeda.org.pk/main.php?id=2), (Table 3).

Table 2: South African National Small Business Act Definition

Category	Full-time employed workers	Total Annual turnover	Total Gross Asset Value
Micro	5	R0 – R200 000	R0 – R100 000
Small Very	20	R200 001 –R3, 000 000	R100 001 – R500 000
Small	50	R3, 000 001 – R13, 000 000	R500 001 – R3, 000 000
Medium	200	R13, 000 001 – R26, 000 000	R3, 000 001 – R5, 000 000

Source: South African National Small Business Act 102 of 1996 (<https://www.gov.za/documents/national-small-business-act>) in Msomi, 2021.

Table 3. The European Union's description of an SME

Enterprise category	Headcount	Turnover (in euros)	Balance sheet total (in euros)
Medium-sized	< 250 employees	≤ 50 million	≤ 43 million
Small	< 50 employees	≤ 10 million	≤ 10 million
Micro	< 10 employees	≤ 2 million	≤ 2 million

Source: European Commission Recommendation

Small and medium-scale enterprises have features that distinguish them from large-scale businesses. Some of these characteristics, according to scholars like Adamu (2005), and Mawoli and Aliyu (2010), etc. are listed as follows:

1. They are Generally Managed by the Owners

SMEs are mainly operated as sole proprietorships or partnerships. Unlike large-scale businesses, the owner is not separated from the management. This implies that the owners manage the businesses. However, Aruwa (2006) and Mawoli and Aliyu (2010) pointed out that these people have little or no managerial skills and competence to steer the activities of the organisations properly.

2. Small Capital Requirement

Small capital requirements generally characterize SMEs. Adamu (2005) posited that they rely on internal sources of funds (personal savings of the owners, plowing-back, etc.), and as such, they are "starved of the fund". According to Aruwa (2006), this condition is because access to long-term capital is limited. Where they have access to short-term capital, they are handicapped by high interest and other conditions.

3. High Mortality Rate

The probability of business failure is high among SME operators in Nigeria (Aruwa,

2006). Furthermore, Aruwa (2006) categorically stated that egocentrism, mistrust, inadequate infrastructure, and regulatory environment are responsible for the failure of partnership forms of SMEs. It should be noted that sole proprietorships also die because of some of the factors highlighted above, cultural factors, and the problem of continuity.

4. Inability to Keep and Maintain Financial Records

Adamu (2005), cited by Athanasios et al, (2014), claims that: The explanation of the aversion of enterprises to record-keeping and maintenance of accounts is related to the managerial capacity of the entrepreneurs. The business unit may be unable to recruit personnel who can keep the books or where it can obtain the service of successful bookkeepers.

5. They are Relatively in Small Size within the Industry

Looking at the Industry at large, SMEs are relatively small (Adamu, 2005). This may be due to their small financial resources or their scope of operation. In line with this, their annual sales concerning the large scale ones would be lower. It is on this ground that Mawoli and Aliyu (2010) concluded that the smallness of annual sales is also a feature of SMEs.

From the preceding, the study adopted the classification of SMEs by the SMEDAN Na-

tional Survey of MSMEs (2017) and the definition of the Central Bank's Monetary and Credit Guidelines. Thus, for this study, the classification of SMEs consists of Small Enterprises to medium enterprises whose total assets base is less than Ten Million Naira (< ₦10,000,000), excluding land and building, with a minimum of five (5) to a maximum of ten (10) employees.

Theoretical Review

The Cultural-Historical Activity Theory (CHAT)

The framework comprises the frequency of

accounting information provided by SME accountants and the utilization level as the independent variables, with sustainable SMEs as the dependent variable (Figure 1). Therefore, this work is built on the Cultural-Historical Activity Theory (CHAT). Accounting information is historical in nature, it keeps both financial and non-financial records of past and present activities, in order to assist in decision-making and then project for future dealings; hence, to make an informed decision, it is imperative to analyze and compare past events with current happenings to forecast future occurrences.

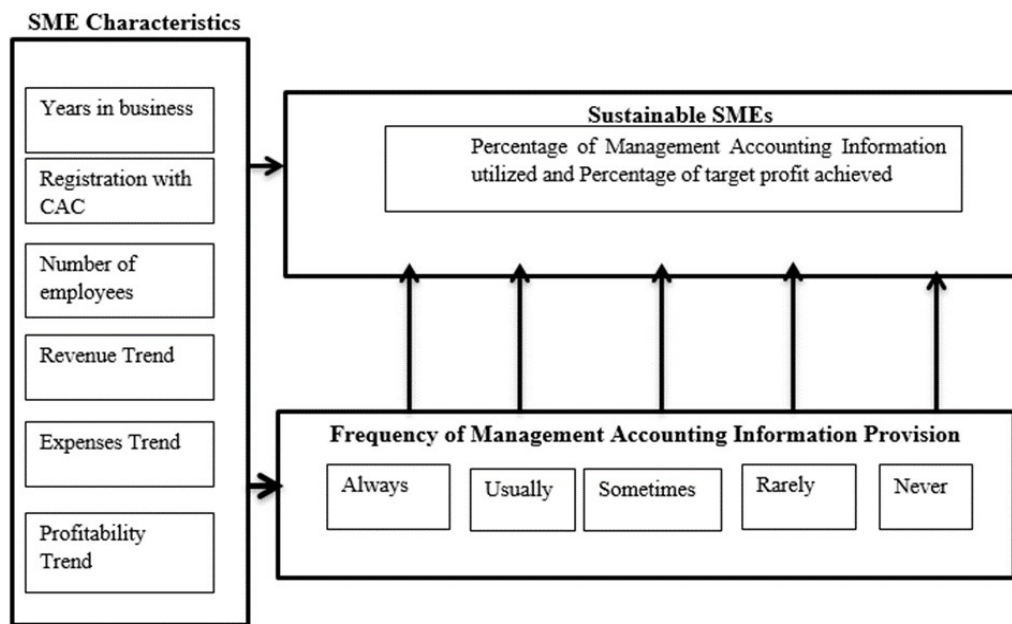


Figure 1: Conceptual model and variable relationship adopted for the study. Source: Researchers adoption, 2020 with a clue from Silva, 2018.

Empirical Review

There have been several attempts in literature aimed at examining issues around the focus of the present study. For instance, Costache, Dumitrascu, and Maniu (2021) used a panel of 71 firms to investigate how the concept of sustainability emerged as a

response of businesses to contribute to community goodwill. The association rule method of data mining and quantitative statistic methods explored the barrier-facilitator relationships and how they vary depending on the context. Much study has been done in this area on bigger firms, and there is little

research accessible on the application. In contrast, Industry 4.0 (I4.0), which is a modern manufacturing system driven by information technology (II) and achieving a sustainable society, in SMEs for ethical and sustainable operations are the key impact group problems.

Application of strategic management accounting (SMA) by SMEs in emerging economies was examined in research from China by Ma et al. (2022). Using qualitative research approaches, two workers and five managers from M firm were interviewed. They found a variety of things, including the following: “(1) senior managers of SMEs do not understand accounting or give it enough attention, and the role of SMA is even worse; (2) even after chief financial officers acquired knowledge of SMA, they were unable to fully apply it in their strategic decision-making; (3) SMEs have realized that enterprise culture is crucial for a business to achieve its goals, but this realization does not go far enough to make them attach importance to it”.

In the same manner, SMEs who have completely implemented Accounting Information in decision-making processes were the subject of a cross-sectional survey by Lutfi (2022). The extended unified theory of acceptance and use of technology (UTAUT) model and top management support (TMS) framework demonstrates that the examined variables—effort expectancy, performance expectancy, and facilitating conditions—exhibited a positive effect on the continuation intent of accountants to provide Management accounting information for utilisation by ME owners, with TMS having a significant and adverse effect. The importance of supporting decision-making techniques of MAI among SME owners was further

confirmed by the discovery that social influence was highly associated with continuance intent. This suggests that utilization of the information given by the accounting information is something SME owners should imbibe to further assist in the effective business operations of their enterprises. However, the results of Lutfi (2022) further revealed a negative correlation between the owners of SMEs and the utilization of management accounting information, implying a deviation from the findings of this present study.

In the study by Alvarez, Zartha, and Orozco (2019), the barriers faced by small and medium-sized enterprises (SMEs) when implementing initiatives for sustainable development were analysed. Among the main results, 175 barriers to sustainability for SMEs were identified. The barriers that appeared most frequently were the lack of resources, the high initial capital cost of implementing sustainability measures, and the lack of expertise.

Maziriri & Mapuranga (2017) used a quantitative research approach to test the relationships between each management accounting practice (MAP) and business performance; data came from 380 SME managers who were chosen using a probability simple random sampling technique; the hypothesised relationships in the research model were assessed using multiple regression analysis; the findings showed that management accounting practices positively influence the business. This, therefore, implies that the empirical study provided fruitful implications to academicians by making a significant contribution to the management accounting literature by systematically exploring the influence of management accounting practices (MAPs) on the business performance of SMEs.

Literature Gap

So far, pieces of literature reviewed have shown the centrality of accounting skills to small, medium, and large Enterprises. In contrast, none of the literature dealt with the position of management accounting information and its utilisation to sustainable SMEs. While researchers have investigated the causative factors for the rate of small-scale business failures in Nigeria, which is currently put at 25% by the National Bureau of Statistics, none of the literature reviewed has attributed the failures to necessary and needed accounting information.

Several authors have focused on offering solutions to the issues facing small and medium-sized businesses, but they have overlooked some crucial solutions, which this study tends to reveal in the hope that utilisation of management accounting information will fill the gaps to SME failure and help to sustain the performance of small and medium-sized businesses in the study area and Nigeria.

METHODOLOGY

The population for the study included all Small and Medium Scale Enterprise (SME) owners in Ogun State, Nigeria, comprising Two Thousand Four Hundred and Sixty-Five (2,465) operators as recorded by the SMEDAN National Survey of MSME (2017); the study adopted a close-ended questionnaire distributed to a sampled population; the descriptive Survey research design was seen as meeting the requirement for the study.

The sample for this study was based on all the registered small and medium-scale firms (SMEs) in Ogun State, and the researchers

used random sampling procedures to establish the sample size by using the following formulas from Yaro's Yamane (1967):

$$n = N$$

$$1 + N(e)^2$$

Where n = Sample size

N = Population (Number of SMEs in Ogun State)

e = Margin of error

For instance, with a margin error of 5% and a population of 2,465 SMEs in Ogun State, the sample size can be determined as thus;

Where n = sample size

$$N = 2,465 \quad e = 5\%$$

$$\frac{2,465}{1 + 2,465(0.05)^2} = \frac{2,465}{1 + 6.165}$$

$$n = \frac{2,465}{7.165}$$

$$n = 344$$

Instrumentation for Data Collection

A self-designed 5-point Likert rating scale Discrete Choice Questionnaire (DCQ) was designed for the study. The questionnaire was designed for the collection of data on the socioeconomic characteristics of the respondents, on the Management Accounting Information provided and utilized, which is the independent or otherwise known as the explanatory variable (X), to answer the study's research questions. The research instruments' items were leveraged in Silva's studies 2018; Okoye et al., 2017; Oyebisi et al., 2015; Anita, 2012; Michael & Chigozie, 2014; and Nwaigburu & Eneogwe, 2013. Finally, the rating scale used is as follows:

Table 4: Rating Scales for questionnaire administration

S/N	Attributes	Rating
1.	To a Greater Extent	5 points
2.	To a Moderate Extent	4 points
3.	To a Small Extent	3 points
4.	To a Slight Extent	2 points
5.	Not at all	1points

As a result of the reliability test, a coefficient of 0.87 was obtained. Thus, the instrument was taken to be reliable for collecting data that led to the findings of this study. This is because, Awotunde and Ugodulunwa (2004), stated that an instrument with a reliability coefficient of 0.70 or above would be taken to be reliable for the research purpose.

Analytical Techniques

The research questions were addressed using the mean scores and standard deviations of the responses to each questionnaire item, as well as the grand mean for all the items in each section. Any questionnaire item and grand mean with a mean score of 3.00 or above were accepted, and those below 3.00 were disregarded. Data were analysed using Statistical Packages for Service Solution (SPSS) version 23.0. This is because the mean score for the five-point rating scale is 3.00 (5+4+3+2+1= 15÷5 = 3).

Furthermore, the parametric test of T-test and Pearson monument correlation coefficient statistical analysis was used to assess the study's null hypotheses at alpha, (α) 0.05 at a significance level of 0.05 and a grand mean of 3.0. Pearson correlation coefficient analysis was carried out to determine if a persistent increase in profit leads to sustainable SMEs in Ogun State, while T-test was used to test all level of significance. This is

because Best and Kahn (2006) stated that a T-test is used in testing the level of significance of the difference between two means. The statistical analysis examined if there was a noteworthy variance in the position of sequences among the parameters. Also, Odugbemi & Oyesiku (2000) reported that a t-test is a parametric statistic applied to test differences between means of one or two samples. This was complemented with the following formulae:

$$t = \frac{x}{\frac{s}{\sqrt{n}}}$$

Where x = Mean of sample
 S = Standard Deviation of sample
 n = Sample size of sample

RESULTS AND DISCUSSION

Three hundred and forty-four (344) small and medium-sized enterprise owners received the closed-ended surveys using the Google form platform; however, only two hundred and ninety-six (296) of them responded, yielding an 86% response rate.

Distribution of SMEs according to Local Government Area

14.2% of the SMEs were located in Abeokuta South local government, 4.4% were within Ifo, 9.5% represent Odeda, 6.4% were in Obafemi Owode, 5.4% in Akomoje, 2.0% in Ikenne, 11.8% in Otta, 8.4% in Ipokia while

10.1% were within the purview of Ijebu-Ode Local Government Area of Ogun State, Nigeria. The SMEs that participated in this study were within the Abeokuta South Local government jurisdiction (Table 5).

Table 5: Distribution of SMEs according to Local Government of location in Ogun

Enterprise Local Government	Frequency	Percent
Abeokuta South	42	14.2
Ifo	13	4.4
Odeda	28	9.5
Obafemi Owode	19	6.4
Akomoje	16	5.4
Ikenne	6	2.0
Ado-Odo Otta	35	11.8
Ipokia	25	8.4
Ijebu-Ode	30	10.1
Total	214	72.3
Missing System	82	27.7
Total	296	100.0

Source: Field Survey, 2020.

Presentation of Results according to Research Questions

Research Question 1: What are sustainable SMEs' determinants and characteristics in Ogun State, Nigeria?

This research question was put forward to investigate the factors determining sustainable SMEs in Ogun State, Nigeria.

It was observed from the responses that 26.4% of the SME enterprise ranged between 5 and 10 years old (Table 6), while the least, 10.5%, was between 11 and 15 years old. It was concluded that the SME respondent's enterprises that participated in the study in Ogun State ranged between 5 and 10 years old, as of the study in 2020. Similarly, more than half (52.4%) of the respondents had registered their enterprises

with the Corporate Affairs Commission (CAC), while 31.4% were yet to register their enterprises. This, however, represents weak coordination and regulation of the enterprise by the CAC to uphold the sustainable development of SMEs in the State and the ease of doing business policy of the Federal Government of Nigeria. For the number of people (employees) currently working in the enterprises; the highest, (20.6%), had between 11 and 15, staff, while 17 had less than five employees, the least. It was, therefore, concluded that most SMEs had an average of 11 to 15 employees in Ogun State. However, this refutes the findings of Kehinde et al. (2015), which asserted that most small-scale business enterprises fall within the category of fewer than ten employees.

Table 6: Distribution of SME characteristics in Ogun State

Years of SMEs Enterprises	Frequency	Percent
< 5 years	42	14.2
Between 5 & 10years	78	26.4
Between 11 & 15years	31	10.5
Between 16 & 20years	40	13.5
> 21years	42	14.2
Missing System	63	21.3
Total	296	100.0
Registration of the Enterprise with CAC		
No	93	31.4
Yes	155	52.4
Missing System	48	16.2
Total	296	100.0
Number of Staff currently working with the enterprise		
Nil	4	1.4
< 5	52	17.6
Between 5 & 10	48	16.2
Between 11 & 15	61	20.6
Between 16 & 20	32	10.8
> 20	42	14.2
Missing System	57	19.3
Total	296	100.0

Source: Field Survey, 2020.

To further answer the research question on the determinants of sustainable SMEs in Ogun State, the profitability chart, which includes the Revenue base, Expenses, and Net profit of the enterprise for the year 2018 were assessed (Figure 1).

The profit base of 14.2% of the SMEs was less than N5m; 21.3% of the SMEs indicated that their profit base for 2018 was between N5m and N7m; 10.5% of the respondents SMEs indicated their profit base

for 2018 ranged between N7.1m and N15m while 12.5% of them indicated that their profit base for the year 2018 was above N15m (Figure 2). Thus, for a profit base of this magnitude to be effectively sustained, there is the need to make available accountants with relevant skills to manage such an enterprise. This finding further corroborates the study of Okoye et al. (2017) that accounting skills acquired by owners and operators of SMEs will enhance their economic status and business performance. However,

it can be, argued that SME operators may not necessarily acquire accounting skills but rather employ an accountant or outsource their accounting activities to aid decision-

making by SME owners/operators; thus, the necessary accounting skills for sustainable SMEs are what is needed to be acquired by accounting graduates.

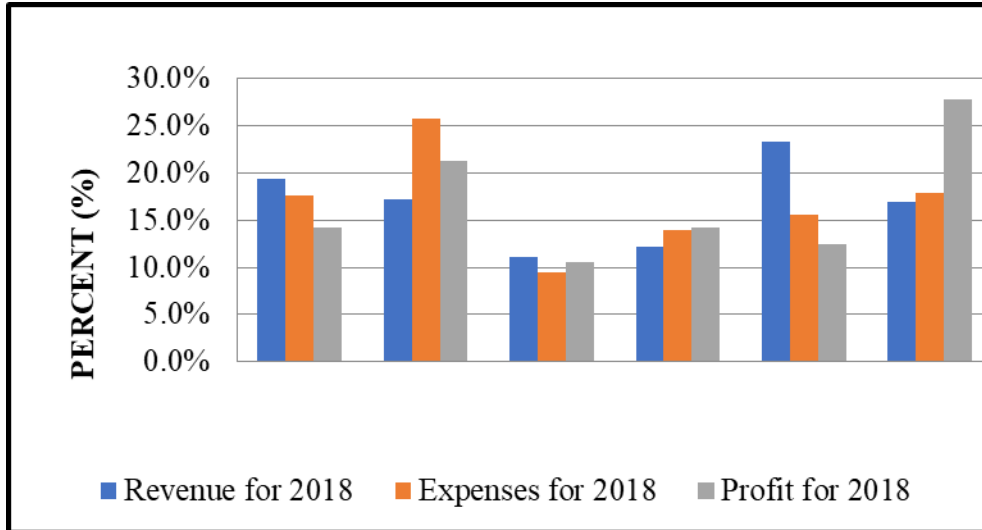


Figure 2: Profitability chart of the SMEs in Ogun State, Nigeria.

Source: Field Survey, 2020.

Similarly, the five (5) years trend of the revenue base, expenses, and net profit of the SMEs in the State that were analyzed showed that sales revenue and profit were constant while expenses increased in the

early stage of the enterprise. However, the older the enterprise in business, the lower the expenses, the higher the sales revenue and profit (Figure 3).

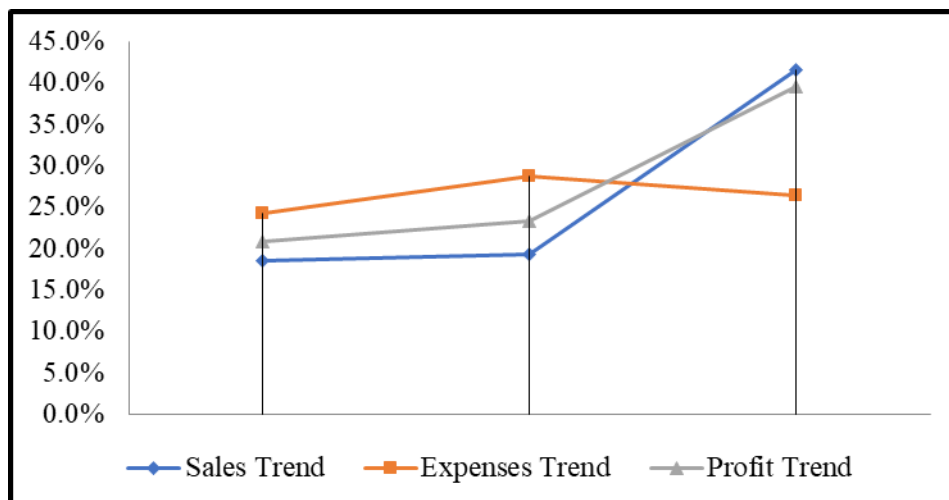


Figure 3: Trend of Profitability chart of the SMEs in Ogun State, Nigeria

Source: Field Survey, 2020.

Furthermore, the provision of accounting information by the accountants in the SME sector, whether the owners utilized the accounting information, and the effect on the enterprise profit were equally investigated and analyzed.

19.3% of the respondents believed that their accountant always provides management accounting information and that the utilization of the management accounting information yielded 20.9% of their target profit, 15.5% of the respondents opined that their accountants usually provide management accounting information and yielded 15.5% of their target profit, 13.9% of them stated that their accountants sometimes provide, management accounting information which correspondingly yielded 17.9% of their target profit; 15.9% of the SME owners were of the view that their accountants rarely provides accounting information (Figure 4), thus, a 17.2% of their profit target was achieved and 12.5% of SME owners categorically stated that their accountant never provides management

accounting information, which invariably resulted to the achievement of 12.2% of their target profit (Figure 4). This implies that if SMEs are to achieve a significant level of their target profit, (e.g. minimum of 75%). Accountants in the SME sectors are mandated to provide correct and accurate management accounting information, which correspondingly helps the SME to achieve its target profit. This, however, is inconsonant with the findings of Obiamaka et al., (2015), which concluded that if Small Scale Enterprises (SSEs) employ accounting services, engage in outsourcing of accounting services or by the employment of an accountant, it will be better for their accountability, correct determination of profit and further help management of SME enterprises to reach set goals and objectives. It is therefore concluded that if SME owners utilize management accounting information provided by the accountant, it will enhance the profitability achievement target and that accurate management accounting information skills are to be acquired to a significant level by accounting graduates for the sustainability of SMEs.

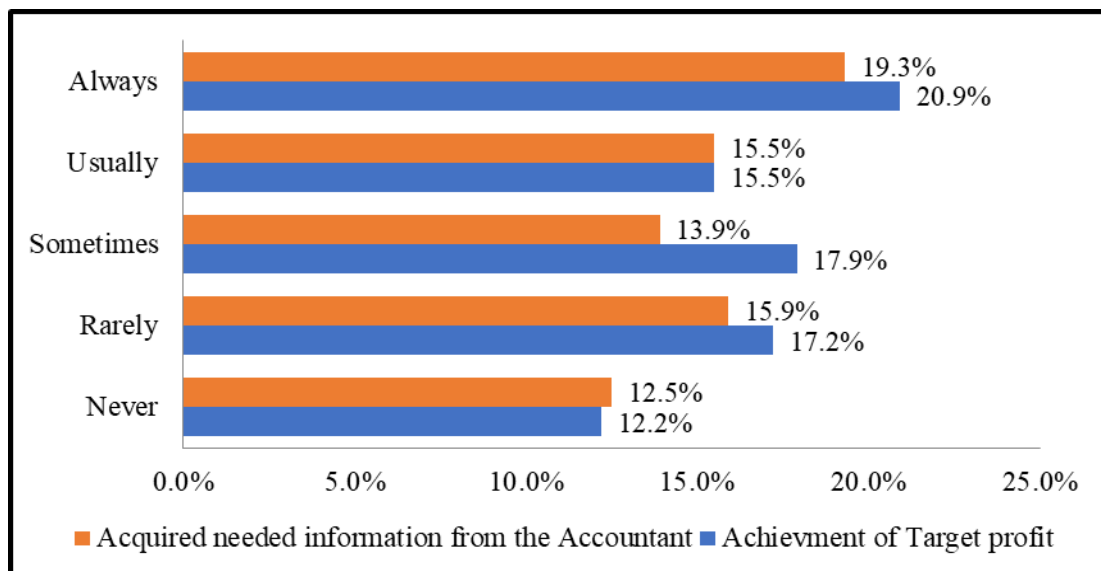


Figure 4: Utilization of accounting information and profitability

Source: Field Survey, 2020.

Research Question 2: What are the challenges encountered by SMEs due to the lack of appropriate and fundamental Management Accounting Information (MAI)?

This research question was put forward to determine the extent to which lack of appropriate and fundamental Management Accounting Information (MAI) poses challenges to sustainable SME business activities in Ogun State, Nigeria.

An aggregate of 58 (19.6%) respondents submitted that lack of appropriate Management Accounting Information (MAI) poses challenges to boosting SME business activities to a greater extent (Table 7). For-profit maximization enhancement, a more significant percentage, 67 (22.6%) of the respondents, believed that lack of Management Accounting Information (MAI) affects their profit maximization to a slight extent; 80 (27.0%) of the respondents reported that lack of Management Accounting Information affects the enhancement of creativity and innovation of their enterprise, to a small extent, as revealed by the aggregate score for the opinion. Lack of Management Accounting Information affects the acquisition of business knowledge by the majority, 72 (24.3%) of the respondents.

Majority of the respondents, 70 (23.6%), reported that lack of Management Accounting Information poses challenges to the enterprise's decision-making to a greater extent; 62 (20.9%) and 20 (6.8%) of the respondents reported that they face the challenge of bookkeeping and financial records

due to a small extent of relevant Management Accounting Information. The SMEs experienced the challenge of effective marketing to a moderate extent by 66 (22.3%) due to a lack of Management Accounting Information. Majority, 59 (19.9%) of the respondents, believed that technology and management promote SMEs' performance to a moderate extent due to lack of MAI. The aggregate score, therefore, implies that Technology and Management tend to promote SMEs' performance, which is persistent increase in profit to a moderate extent. 58(19.6%) reported that the acceptance of accounting students for IT/SIWES or internships by SMEs will improve their business performance to a slight extent (Table 7). This implies that the acceptance of accounting students for IT/SIWES/Internship by SME owners will improve SME business activities to a slight extent.

It is concluded that the SME owners encountered all the listed challenges due to a lack of MAI, ranging from small to moderate extents. This is buttressed by the observations of Agwu & Emeti (2014), who asserted that a lack of managerial skills constituted SMEs' performance in Port-Harcourt City. This finding equally agrees with Michael & Chigozie (2014) by emphasising on needed MAI for operational efficiency and maximisation of self-employment efforts of SME owners. Also, Athanasios et al. (2014) reported specifically that small business failure was due to a lack of business knowledge and skills. Furthermore, Qasim (2015) listed problems and decision analysis skills among the skills needed for accounting graduates.

Table 7: Challenges Encountered by SMEs due to lack of MAI

Challenges	The extent of the challenges (N=296)				
	Not at all (%)	To a Slight Extent (%)	To a Small Extent (%)	To a Moderate Extent (%)	To a Greater Extent (%)
Boosting Business activities	51(17.2)	52(17.6)	29(9.8)	44(14.9)	58(19.6)
Profit Maximisation	38(12.8)	67(22.6)	28(9.5)	57(19.3)	34(11.5)
Enhancement of Creativity and Innovation	41(13.9)	32(10.8)	80(27.0)	38(12.8)	33(11.1)
Acquisition of the Business knowledge	22(7.4)	72(24.3)	27(9.1)	69(23.3)	34(11.5)
Decision Making	37(12.5)	43(14.5)	41(13.9)	33(11.1)	70(23.6)
Identification of Inefficient Areas and Resources Wastage	39(13.2)	35(11.8)	29(9.8)	64(21.6)	57(19.3)
The Concepts of Assets and Liabilities	27(9.1)	45(15.2)	38(12.8)	66(22.3)	48(16.2)
Book-keeping of Financial Records	20(6.8)	53(17.9)	62(20.9)	35(11.8)	54(18.2)
Effective Marketing	36(12.2)	62(20.9)	25(8.4)	66(22.3)	35(11.8)
Technology and Management Skills Promote SMEs Performance	56(18.9)	40(13.5)	41(13.9)	59(19.9)	28(9.5)
Acceptance of Students for IT/ SIWES or Internship	57(19.3)	58(19.6)	41(13.9)	26(8.8)	42(14.2)

Source: Field Survey, 2020.

Hypothesis One

H_0 – No relationship exists between the persistent increase in profit of the enterprise and sustainable SMEs in Ogun State, Nigeria $-1 \leq r \leq 1$

H_1 – Persistence increase in enterprise profit leads to corresponding sustainable SMEs in Ogun State.

The result revealed that there was a weak and negative relationship between persistence increase in profit ($r = -.222$, $p < 0.05$) with a mean of 1.22 and standard deviation of .822 and sustainable SMEs ($r = -.222$, $p < 0.05$) with a mean of 2.26 and standard deviation of .634 at two-tail significance level

(Table 8). Therefore the null hypothesis is accepted. This suggests that a persistent increase in profit does not guarantee the sustainability of SMEs in Ogun State. However,

the results were statistically significant at a 0.01 level of confidence but only revealed a negative relationship between the measurement variables.

Table 8(a): Descriptive Statistics of the relationship between sustainable SMEs and Profit

	Mean	Std. Deviation	N
Sustainable SMEs	2.26	.634	169
Profit Trend of the Enterprise	1.22	.822	248

Table 8(b): Correlations between sustainable SMEs and Profit

		Sustainable SMEs	Profit Trend of the Enterprise
Sustainable SMEs	Pearson Correlation	1	-.222**
	Sig. (2-tailed)		.004
	N	169	169
Profit Trend of the Enterprise	Pearson Correlation	-.222**	1
	Sig. (2-tailed)	.004	
	N	169	248

** . Correlation is significant at the 0.01 level (2-tailed)

Source: Researchers Computation, 2020

Hypothesis Two

H02: Owners of Small and Medium Scale Enterprises (SMEs) do not encounter significant challenges due to a lack of Management Accounting Information (MAI).

Positive t-values were computed for the lack of acquisition of business knowledge (1.100); lack of decision making (2.524); lack of identification of inefficient areas and resources wastages (3.010); lack of the concept of assets and liabilities (3.170); bookkeeping of financial records (2.584) and effective marketing (.098) were identified as the challenges currently been encountered by SMEs due to the lack of Management Accounting Information (Table 9). However, the negative t-values computed

for lack of profit maximization (-.886); lack of enhancement of creativity and innovation (-.522); lack of technology and management (-1.783) as well as the lack of the acceptance of accounting students for IT/SIWES or internship (-2.875) were not significant. Therefore, the null hypothesis H0, of no challenges encountered by the SMEs, was rejected. The results show that the owners of SMEs were of different opinions regarding the challenges encountered due to the lack of Management Accounting Information (MAI) needed for sustainable SME development in Ogun State, Nigeria. This includes the area of profit maximization, enhancement of creativity and innovation, lack of technology management, and lack of accepting accounting students for SIWES/internship.

Table 9: One-Sample Test

Challenges encountered by SMEs due to lack of MAI	Test Value = 3			
	t	df	Sig. (2-tailed)	Mean Difference
Profit Maximization	-.886	223	.376	-.080
Enhancement of Creativity and Innovation	-.522	223	.602	-.045
Acquisition of the business knowledge	1.100	223	.273	.094
Decision Making	2.524	223	.012	.250
Identification of Inefficient Areas and Resources Wastage	3.010	223	.003	.290
The Concepts of Assets and Liabilities	3.170	223	.002	.281
Book-keeping of Financial Records	2.584	223	.010	.223
Effective Marketing	.098	223	.922	.009
Technology and Management Skills Promote SMEs Performance	-1.783	223	.076	-.165
Acceptance of Accounting Students for IT/SIWES or Internship	-2.875	223	.004	-.277

Source: Computed by the Researchers with SPSS version 23.0

Summary of Findings

The study's findings revealed that among all the SMEs scattered across the twenty (20) Local Government Areas of Ogun State, Nigeria, SMEs within Abeokuta South Local Government Area participated majorly in the study. Hence, more than half, 52.4% of the SMEs registered their business with the Corporate Affairs Commission (CAC), while 31.4% were yet to register. Most SMEs had an average of 11 to 15 employees in Ogun State, Nigeria.

The study also revealed that the profit of the enterprises for the year 2018 ranged between N5m and N7m. Sales revenue and profit of the SMEs were constant for a period of 5 years, while expenses increased in

the early stage of the enterprise. However, the older the enterprise in business, the lower the expenses and the higher the sales revenue and profit.

Most of the SME owners stated that their accountants always provide accounting information and that utilizing the accounting information by the enterprises yielded 20.9% of their target profit. At the same time, the listed challenges encountered by the SMEs due to lack of MAI, ranging from a small extent to moderate extent include: the challenge of boosting business activities; the challenge enhancement of creativity and innovation; the challenge of decision making; the challenge of the concepts of assets and liabilities; the challenge of effective market-

ing; the challenge of accepting accounting students for IT/SIWES or internship amongst others..

CONCLUSION

The findings of the study conclude as follows:

- Persistent increase in profit of the SMEs may not necessarily determine the sustainability of SMEs in the study area; instead, the provision and utilisation of management accounting information would significantly enhance the sustainability of SMEs, and yielded over 20% of the target profit.
- There are diverse opinions amongst the SME owners/operators regarding the challenges encountered due to the lack of Management Accounting Information (MAI) needed for sustainable SMEs in Ogun State, Nigeria. The challenges encountered include profit maximisation, enhancement of creativity and innovation, lack of technology management, and lack of accepting accounting students for SIWES/internship.

POLICY RECOMMENDATIONS

Based on the results of the study, the study recommends as follows:

- SMEs/business owners should endeavour to accept accounting students for SIWES/IT/internships.
- A firm policy should be initiated by appropriate government organs to owners of SMEs on the need to outsource their accounting responsibilities if they cannot afford to employ an accountant to promote the sustainable growth of SME products and upgrade their operations more efficiently.
- This study further supports the recommendation of Okafor & Daferighe

(2019) that SMEs should be sensitised to prepare financial statements, regardless of how small or simple they appear. This, however, gives SME owners the knowledge to periodically evaluate and appraise their activities to make critically informed decisions regarding their businesses.

Contribution to Knowledge

This study has contributed to the literature on methodology and sustainable accounting practices in Management Accounting as it has provided statistical proof supporting the importance of Management Accounting Information (MAI) to sustainable SMEs. This study has also statistically contributed to management accounting, sustainable SMEs, and accounting competencies, emphasizing Management Accounting Information.

Study Limitations

The researchers encountered challenges in data collection due to the emergence of COVID-19 in March 2020, and as a result, some difficulties and obstacles were encountered in accessing the respondents due to the government's stay-at-home order, which meant that the study did not capture all of the SMEs that were surveyed.

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