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The Strategic Role of Financial Record keeping in the Development of Small and Medium Scale Enterprises in Nigeria

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Abstract

This study investigates the role of record-keeping in the development and sustainability of small and Medium Scale Enterprises in Agbor, Delta State, Nigeria. Despite their significant contribution to the local economy, many small businesses in Agbor face challenges that hinder their growth and sustainability, largely due to inadequate record-keeping practices. The research adopts a descriptive survey design, with a sample of 100 small business owners across various sectors, including agriculture, retail, and manufacturing. Data were collected using a structured questionnaire and interview guide, with descriptive statistics employed for analysis. The study reveals that the majorities of small-scale enterprises in Agbor maintain essential records such as financial records, inventory records, and sales transactions, although many businesses still rely on manual or paper-based methods. Effective record-keeping was found to positively influence business growth, including access to financing, better decision-making and long-term sustainability. However, common challenges such as lack of skills, time constraints, and inadequate resources were identified as significant barriers. To improve record-keeping practices, the study recommends strategies such as training programs, adoption of digital tools, and professional assistance. These findings underscore the need for business owners, policymakers, and development agencies to recognize the critical role of proper record-keeping in enhancing the performance and sustainability of SSEs in Agbor.

Keywords: Development of Scale Enterprises, Entrepreneurial Growth, Record keeping, Small Scale Enterprises, UN Sustainable Development Goal 8.

Introduction

Small-scale enterprises (SSEs) are pivotal to the economic framework of nations, particularly in developing countries like Nigeria, where they represent a significant portion of the business population. These enterprises, which operate on a relatively modest scale, contribute to economic diversification, employment generation, and poverty alleviation (1). According to the Nigerian Bureau of Statistics (NBS), SSEs employ about 84% of the labor force in Nigeria, underscoring their critical role in job creation and economic empowerment. They also serve as a platform for innovation and entrepreneurship, enabling individuals to transform ideas into viable business ventures (2). Despite their importance, the growth and sustainability of SSEs are often impeded by inadequate record-keeping practices. Record-keeping, defined as the systematic documentation of financial and operational activities, is a cornerstone of effective business management. Proper records enable business owners to monitor their performance, plan strategically, and make informed decisions. They also facilitate financial accountability, resource management, and compliance with legal and tax obligations. As emphasized by scholars, neglecting proper documentation can result in mismanagement, financial losses, and missed opportunities for growth (3). In the context of Nigeria, where SSEs face challenges such as limited access to credit, market volatility, and infrastructural deficits, proper record-keeping is even more critical. It provides a foundation for accessing external funding, as lenders often require detailed financial records to assess the creditworthiness of businesses. Additionally, accurate records help

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entrepreneurs evaluate the profitability of their ventures and identify areas for improvement (4). Agbor, a bustling town in Delta State, Nigeria, exemplifies a region where SSEs are a vital component of the local economy. The area boasts a diverse range of small businesses, including agricultural ventures, retail shops, and service providers. These enterprises not only contribute to the economic vitality of Agbor but also play a key role in community development by creating jobs and fostering local entrepreneurship. However, many of these businesses face challenges stemming from inadequate record-keeping practices (5). A lack of formal education, limited awareness of best practices, and the high cost of employing professional accountants often lead business owners to rely on memory or informal methods of documentation.

According to scholars, such practices limit the ability of business owners to track cash flow, manage resources efficiently, and ensure regulatory compliance. For instance, failure to maintain accurate financial records can result in tax disputes or penalties, further straining already limited resources. Moreover, without proper records, business owners struggle to evaluate the true performance of their enterprises, which hinders long-term planning and growth (6).

In addition to financial implications, inadequate record-keeping affects the ability of SSEs in Agbor to compete in a rapidly evolving business environment. With the rise of digital technologies and increasing demand for transparency, businesses that lack proper documentation risk being excluded from formal economic systems (7). This exclusion can lead to missed opportunities for partnerships, grants, and government incentives aimed at supporting small businesses.

Recognizing these challenges, there is a growing need to emphasize the importance of record-keeping among SSEs in Agbor. This study seeks to explore how effective documentation can enhance the growth and sustainability of these enterprises (8). By addressing the gaps in record-keeping practices, it aims to provide actionable recommendations for improving business performance and fostering economic development in the region.

Small-scale enterprises (SSEs) are essential contributors to economic growth, especially in Delta State, Nigeria. They provide employment, stimulate local economies, and serve as incubators for entrepreneurial development. However, despite their potential, many SSEs in Nigeria face challenges that hinder their growth and sustainability. Among these challenges, the lack of systematic record-keeping stands out as a critical issue (9).

Effective record-keeping is fundamental to business success, as it provides the foundation for financial management, performance evaluation, Stock inventory and long-term planning and business sustainability. It enables business owners to track income and expenditures, monitor cash flow, and evaluate profitability. However, in Nigeria, a significant number of small business owners rely on memory or informal methods to manage their operations (10). This reliance on unsystematic approaches leads to several issues, including:

Inefficiencies in Operations: Without accurate records, business owners struggle to understand the financial health of their enterprises. They may overestimate profits or underestimate losses, resulting in poor decision-making and inefficient resource allocation.

Inaccuracies and Financial Losses: Memory-based management is prone to errors, leading to inaccurate financial reporting. This can result in undetected revenue leakages, stock mismanagement, and unrecorded debts. Over time, these inaccuracies accumulate and negatively impact the business.

Limited Access to Credit: Many financial institutions require detailed financial records as part of loan applications. Businesses in Agbor that fail to maintain proper documentation are often excluded from accessing credit facilities. This limits their ability to invest in growth opportunities, such as expanding operations or acquiring new equipment.

Non-Compliance with Tax and Regulatory Requirements: Inadequate record-keeping also affects tax compliance. Businesses without proper documentation may either overpay or underpay taxes, leading to penalties or disputes with tax authorities. This non-compliance further jeopardizes their sustainability.

Challenges in Strategic Planning: Proper records provide insights into business performance, allowing owners to identify strengths, weaknesses, and opportunities for growth. Without these records, SSEs in Agbor lack the data needed to set realistic goals or adapt to changing market conditions.

Lack of Business Sustainability or Business Failures

These challenges not only hinder individual businesses but also affect the broader economic development of Agbor. When SSEs fail to thrive, the community experiences reduced employment opportunities, lower economic activity, and limited innovation. Addressing the issue of inadequate record-keeping is therefore vital for both business success and regional development. The study objectives of this study are to Examine the types of record-keeping practices employed by SSEs in Agbor, Delta state, Nigeria, Assess the impact of proper record-keeping on business growth and development, identify challenges faced by SSEs in maintaining accurate records, Propose strategies to improve record-keeping practices among SSEs.

Based on the research questions, the following hypotheses are formulated to guide the study:

Concept of Record-Keeping

Record-keeping refers to a vital aspect of business management that involves the systematic documentation of business activities, financial transactions, and operational processes. It is the practice of organizing, storing, and maintaining business records such as sales, expenses, inventory, receipts, and payroll information. The concept of record-keeping is not limited to mere data entry but extends to the accurate classification and retrieval of information for analysis, reporting, and strategic decision-making (11). According to previous studies, record-keeping is essential for the smooth operation and sustainability of businesses, especially small-scale enterprises (SSEs). It enables entrepreneurs to track their financial performance, manage cash flow, and monitor the effectiveness of business strategies. By maintaining organized records, businesses are better equipped to understand their profit margins, manage debts, and identify areas for cost reduction. Furthermore, effective record-keeping serves as a safeguard against financial mismanagement and fraud, which are common problems in small businesses with informal operations (12).

Record-keeping encompasses various types of documents and records, such as:

Financial Records: These include all documents related to revenue, expenses, investments, profits, and losses. Financial records are necessary for monitoring business performance and ensuring compliance with taxation laws. Without such records, businesses may struggle to understand their financial health or meet regulatory requirements. Some scholars highlight that proper financial record-keeping is critical for securing loans and other forms of financial assistance.

Inventory Records: Keeping track of the goods and materials a business owns is essential for inventory management. This includes tracking stock levels, purchase orders, sales, and reordering requirements. Previous studies emphasize that inventory records prevent stock shortages or surpluses and help businesses avoid unnecessary financial losses through overstocking.

Employee Records: For businesses with employees, maintaining accurate records of wages, benefits, and working hours is crucial for ensuring compliance with labor laws. Employee records also help in managing human resources and assessing workforce performance. Previous studies note that human resource management is critical for maintaining smooth operations in small businesses.

Legal and Tax Records: Businesses must also maintain records to comply with legal obligations, such as business registration, tax filings, licenses, and permits. Failing to keep up-to-date legal records can result in penalties, fines, or the loss of business licenses. As noted by scholars, tax compliance is one of the areas where small businesses are most vulnerable due to inadequate record-keeping.

The importance of record-keeping extends beyond just compliance and operational efficiency. It is also critical for strategic business planning. When accurate records are available, business owners can make informed decisions about pricing, marketing, and expansion. According to scholars, businesses that do not keep accurate records often face difficulties in assessing their strengths and weaknesses, which can lead to missed opportunities for growth and development.

Despite the clear advantages of record-keeping, many small business owners, particularly in developing economies like Nigeria, do not implement effective systems for documentation. Research by previous studies suggest that small business owners in Nigeria often rely on informal, manual systems, or their memory for keeping track of business activities. This lack of formal record-keeping systems is a significant barrier to business growth, as it leads to inefficiencies, inaccurate reporting, and an inability to measure business performance accurately (13).

The failure to maintain proper records is also linked to the lack of financial literacy and awareness among small business owners. Many entrepreneurs lack the knowledge or understanding of accounting principles, which makes it difficult for them to implement robust record-keeping practices (14). Additionally, the cost of hiring professional accountants or investing in software tools for record-keeping can be prohibitive for many small businesses. As a result, businesses often resort to rudimentary methods such as handwritten ledgers or simple spreadsheets, which are prone to errors and can be difficult to analyze over time.

In conclusion, record-keeping is a fundamental element of business management that provides a structured approach to handling financial and operational data. Effective record-keeping ensures that small businesses are better prepared for decision-making, financial planning, and compliance with legal regulations. Previous studies argue, without proper documentation, small businesses are at risk of financial mismanagement, inefficiencies, and an inability to leverage opportunities for growth. Therefore, developing systematic record-keeping practices is a crucial step for improving the performance and sustainability of small-scale enterprises.

Importance of Record-Keeping in SSEs

Record-keeping plays a crucial role in the management and sustainability of small-scale enterprises (SSEs). Accurate and organized records provide business owners with the necessary tools to track performance, make informed decisions, and ensure financial transparency. In the context of SSEs, particularly in developing economies like Nigeria, the importance of maintaining systematic records cannot be overstated. As noted by scholars, poor record-keeping practices are a primary reason for the failure of many SSEs, as they hinder effective decision-making, lead to financial mismanagement, and limit access to critical resources (15).

Performance Tracking and Decision-Making: One of the most significant benefits of proper record-keeping is the ability to monitor and evaluate business performance. By maintaining accurate financial and operational records, business owners can assess their income, expenses, and overall profitability. This data helps in identifying trends, spotting potential issues, and measuring the effectiveness of strategies. For instance, by reviewing sales records and inventory logs, a business owner can determine which products are performing well and which are not, enabling them to adjust marketing or inventory strategies accordingly.

Scholars emphasize that the absence of this crucial information makes it difficult for small business owners to assess their business performance and make necessary adjustments. Without detailed records, decisions are often based on intuition rather than data, which can result in missed opportunities or costly mistakes. Accurate records provide the foundation for sound decision-making, enabling businesses to remain competitive and responsive to market changes.

Access to Financing and Loans: Access to credit is a significant challenge for many SSEs, particularly in developing countries where financial institutions require proof of financial stability before providing loans or credit facilities. Banks and other lenders typically require detailed financial records, such as income statements, balance sheets, and cash flow statements, to assess the creditworthiness of a business. Previous studies revealed that businesses that lack formal record-keeping systems are less likely to secure funding, as they cannot demonstrate their financial position or repayment capacity.

Scholars argue that the lack of proper financial documentation often leads to the rejection of loan applications, depriving small business owners of the resources they need to grow their businesses. Conversely, businesses that maintain accurate records are more likely to gain the trust of financial institutions and access credit, which can be used to expand operations, invest in new technologies, or meet working capital needs (16).

Legal and Tax Compliance: Record-keeping also plays a vital role in ensuring that SSEs comply with legal and tax regulations. In many jurisdictions, businesses are required to file tax returns, register income, and report expenses in a transparent manner. Without accurate records, it becomes impossible for business owners to fulfill these legal obligations, which can result in penalties, fines, or even the closure of the business.

Previous studies highlight that one of the reasons many SSEs fail to comply with tax regulations is due to poor record-keeping practices. Business owners who do not maintain detailed financial records often underestimate their tax liabilities or misreport their income, leading to legal issues. Accurate documentation ensures that businesses remain compliant with tax authorities, thereby avoiding penalties and maintaining their legitimacy in the eyes of regulators.

Identifying Growth Opportunities: The ability to identify and seize growth opportunities is a key factor in the sustainability of SSEs. Effective record-keeping allows business owners to analyze trends and patterns within their operations, helping them to spot areas for expansion. For instance, by keeping track of sales data, a business can identify peak periods for certain products and plan marketing campaigns or production schedules to capitalize on these trends (17).

Some scholars explain that record-keeping provides the insight needed to make long-term plans and investments. By reviewing historical performance, businesses can forecast future demand, invest in new product lines, or even expand into new markets. Without a solid record-keeping system, SSEs are at a disadvantage when it comes to recognizing growth potential or planning for future challenges.

Financial Accountability and Transparency: Accurate records promote financial accountability, which is vital for the long-term success of any business. Record-keeping helps business owners track their cash flow, ensuring that they do not overspend or incur unnecessary debt. By keeping detailed records of expenses and income, entrepreneurs can better manage their budgets and make more responsible financial decisions.

As noted by scholars, poor financial management due to inadequate record-keeping often leads to the downfall of small businesses. Without an understanding of their financial position, business owners may fail to recognize when they are operating at a loss or struggling with liquidity, leading to poor financial health. Proper documentation mitigates these risks, promoting financial transparency and improving business sustainability.

Risk Management: Accurate record-keeping also aids in managing risks, which are inherent in any business environment. By maintaining detailed records, businesses can track potential threats, such as rising operational costs or fluctuations in demand, and take proactive measures to mitigate these risks. Record-keeping helps businesses spot early warning signs of financial trouble, allowing them to adjust their operations or seek external support before issues escalate.

Previous studies argue that businesses with poor records are often ill-prepared to handle financial downturns, market shifts, or unexpected expenses. On the other hand, businesses that maintain solid records are better equipped to respond to challenges and minimize the impact of unforeseen risks.

Challenges in Record-Keeping for SSEs: Record-keeping is critical to the success and sustainability of small-scale enterprises (SSEs), yet many business owners face significant challenges in maintaining accurate and systematic records. These challenges, which include a lack of knowledge, limited resources, time constraints, and cultural and educational factors, often result in inefficient business practices and poor financial management. The difficulties experienced by SSEs, particularly in Agbor, Delta State, Nigeria, are compounded by various external and internal barriers that hinder effective record-keeping. These barriers prevent small business owners from fully realizing the benefits of proper documentation and ultimately undermine their chances of success (18).

Lack of Knowledge and Financial Literacy: One of the primary challenges facing SSEs in Agbor and other regions is the lack of knowledge and financial literacy among business owners. Many entrepreneurs, especially those in the informal sector, lack a formal education in accounting or business management, which makes it difficult for them to understand the importance of accurate record-keeping. According to previous studies, many small business owners in Nigeria fail to adopt proper record-keeping systems because they are not well-versed in basic accounting principles such as budgeting, financial reporting, and cash flow management.

This lack of knowledge is a critical barrier; as it means business owners often rely on informal, rudimentary methods of record-keeping, such as relying on memory or using simple hand-written ledgers, which are prone to errors. Some scholars note that without proper financial education, business owners are unable to appreciate the significance of systematic documentation, which leads to poor decision-making, inadequate financial planning, and an increased risk of business failure (19).

Limited Resources: For many small businesses, especially in developing regions like Agbor, limited financial resources present a significant challenge to effective record-keeping. Business owners often prioritize immediate operational needs, such as purchasing inventory or paying employees, over investing in tools or resources for maintaining proper records. According to previous studies many SSEs operate with minimal capital, and as a result, they may not be able to afford accounting software, professional accountants, or even basic office supplies needed to maintain organized records.

Additionally, the lack of resources can limit access to training programs or workshops that could help entrepreneurs understand the importance of record-keeping and how to implement better practices. In Agbor, where many small businesses operate in the informal sector, the cost of maintaining formal record-keeping systems, such as hiring professional accountants or purchasing advanced accounting software can be prohibitive for many entrepreneurs. As a result, businesses often rely on manual methods or makeshift solutions, which are inefficient and prone to inaccuracies (20).

Time Constraints and Overburdened Entrepreneurs: Time constraints are another major challenge for small business owners in Agbor, who are often involved in every aspect of their business, from managing operations to marketing and customer service. With such a wide range of responsibilities, business owners may find it difficult to dedicate sufficient time to maintain accurate records. According to scholars, many entrepreneurs simply lack the time or inclination to implement proper record-keeping practices, as they are focused on the day-to-day survival of their businesses.

Moreover, small business owners may not see the immediate benefits of investing time in record-keeping, leading them to delay or neglect this important task. Without clear motivation, they may perceive record-keeping as a burdensome task that takes time away from generating revenue. Previous studies highlight that this time scarcity often results in a "fire-fighting" approach to business management, where immediate concerns take precedence over long-term strategic planning, including maintaining accurate financial records.

Cultural and Educational Factors in Agbor, Delta State, Nigeria: In Agbor, as in many other parts of Nigeria, cultural and educational factors play a significant role in influencing record-keeping practices. Traditional business methods often rely on informal practices and oral communication, which can undermine the need for written documentation. Many business owners in Agbor, especially those in the agricultural and retail sectors, have grown accustomed to conducting transactions verbally or through informal agreements, which can be challenging to document or track accurately. This reliance on oral agreements and verbal communication creates a gap in formal record-keeping systems (21).

Cultural attitudes toward formal education also play a role in shaping business practices. In Agbor, many small business owners may not prioritize formal education or training in business management, particularly in rural areas where literacy rates may be lower. As noted by previous studies, the lack of educational opportunities for many entrepreneurs, especially in the informal sector, can hinder their understanding of the importance of record-keeping and other business management skills. Without the necessary education and training, business owners may view record-keeping as unnecessary or overly complicated (22).

Furthermore, some cultural attitudes may also influence attitudes toward financial transparency and accountability. In certain communities, informal cash transactions may be seen as a more convenient or trusted way to conduct business, reducing the perceived need for formal records. This cultural preference for informality contributes to a lack of standardized documentation practices and reinforces inefficient management methods.

Technological Barriers: The technological divide is another challenge that affects small business owners in Agbor and other rural areas of Nigeria. While advanced record-keeping tools such as accounting software and cloud-based storage systems are available, many small business owners lack access to technology due to infrastructure limitations, high costs, and limited digital literacy. According to previous studies, the lack of reliable internet access and affordable technology in Agbor makes it difficult for businesses to adopt more efficient digital record-keeping methods.

As a result, many small business owners rely on traditional, manual methods of recording transactions, which are not only time-consuming but also prone to errors. The absence of digital tools or online platforms for record-keeping prevents businesses from taking full advantage of modern technologies that could help streamline their operations and improve accuracy.

Regulatory and Administrative Challenges: Lastly, regulatory and administrative challenges contribute to the difficulties small business owners face when implementing record-keeping systems. In some cases, the complexity of regulatory requirements, including tax laws and business registration processes, can overwhelm entrepreneurs who are already burdened with day-to-day business operations. As noted by scholars, businesses that lack proper records often struggle to comply with tax obligations, resulting in fines or penalties. In Agbor, where many businesses operate informally, the lack of clear guidance on regulatory requirements further exacerbates these challenges.

Theoretical Framework

This research paper was anchored on these theoretical foundations: Pecking Order Theory, Resource-Based View (RBV) theory, Agency theory and Entrepreneurial Wealth Creation Theory. This study adopts these above listed theories based on their relevance to the subject matter of the research paper.

Resource-Based View (RBV) Theory and Record-Keeping: At its core, the RBV theory emphasizes the importance of resources that are valuable and can be used to create competitive advantage. For SSEs, one of the most important resources is the accurate and timely information provided by effective record-keeping practices. Financial records, sales data, inventory management logs, and employee information are all critical elements that businesses use to assess their performance, manage operations, and make strategic decisions.

According to previous studies, resources that are valuable, rare, and difficult to imitate give businesses a competitive edge. In the case of SSEs, accurate records provide business owners with insights into cash flow, profitability, customer behavior, and resource allocation. This information, if properly utilized, can lead to better business decisions and more efficient operations. For instance, detailed financial records can help small businesses manage costs, avoid financial mismanagement, and optimize pricing strategies — all of which contribute to long-term business sustainability.

Moreover, the RBV framework suggests that a firm's resources must be organized and managed in a way that allows them to be fully utilized. In this case, record-keeping is not merely about collecting data, but about how businesses process and use that information to improve their performance. According to scholars, small businesses that manage their records systematically are more likely to make informed decisions, which can lead to better business outcomes. On the other hand, those that fail to effectively organize and utilize their records may struggle to compete with businesses that are more resource-efficient and better equipped to track their operations.

Pecking Order Theory: Gordon Donaldson first put forth the pecking order theory in 1961. Stewart Myers and Nicolas Majluf made important modifications and popularised it in 1984. According to this theory, businesses prefer some forms of funding over others, with internal funds coming first, then debt, and equity as a last option to reduce the expenses brought on by knowledge asymmetry.

According to the pecking order theory of corporate finance, businesses would rather finance themselves in a particular sequence: internal funds (retained earnings) come first, followed by debt, and equity comes last. The higher expenses and risks of external funding, especially equity, which is more vulnerable to information asymmetry—where management knows more about the business than outside investors—are the main causes of this preference.

Agency Theory: Meckley and Jensen developed the agency theory in 1976. Since the management does not control substantial investments in the company that would force them to engage in earnings manipulation in the reporting of abnormal profits as agents of the shareholders, they have no intention of conserving personal gain in the audited financial statement, demonstrating the agency theory's maximization of wealth for stakeholders.

The concept clearly illustrates how disagreements arise from the separation of ownership and power. The principle-agent theory states that when the principal prefers profit maximization and the agent prioritizes utility maximization—which encompasses both emolument and discretionary gains—conflicts may arise. Meckley and Jensen believe that the manager's risk-taking choices cause conflicts of interest between the manager and shareholders. Profit maximization and emolument maximization would go hand in hand since raising emoluments would always lead to improved management practices. The foundation of agency theory is the idea that when a firm is originally established, its owners are usually also its managers. Owners of growing businesses appoint managers to supervise day-to-day operations. Because the owners want the managers to run the company in their best interests, there is a kind of agency connection between them and the management to reduce financial risk. It was underlined that potential and concentrated investors employ monitoring measures to lower agency costs and raise total FV when a company's CG system is inadequate.

Entrepreneurial Wealth Creation Theory: The entrepreneurial wealth creation theory originated by Chukka and it explains how entrepreneurs create money by resolving societal issues using the POSMOW model (23). Five steps make up this model's breakdown of the process: Problems, Opportunities, Solutions, Monetary Gains, and Wealth According to the theory of entrepreneurial wealth creation, entrepreneurs generate wealth by recognizing and resolving societal issues via innovation and value addition, rather than merely via financial transactions. POSMOW, which stands for Problems, Opportunities, Solutions, Monetary Rewards, and Wealth, is a crucial concept in this theory that shows how societal problems can be turned into profitable economic endeavors and, eventually, wealth. This strategy is a viable model for steady, long-term prosperity in both developed and emerging countries since it places an emphasis on producing wealth for individuals while simultaneously adding value to society.

Record-Keeping as a Valuable Resource

In the context of SSEs, record-keeping is a valuable resource that contributes to decision-making, financial planning, and strategic management. According to previous studies, a firm's growth is often limited by its ability to manage and utilize its resources effectively. In the same vein, accurate and timely record-keeping allows SSEs to make informed decisions, manage growth, and remain competitive in a challenging business environment. Record-keeping is thus considered a "strategic resource" that enables businesses to identify growth opportunities, manage risks, and optimize operations.

Scolars assert that businesses that maintain well-organized records can identify trends, forecast future demand, and plan accordingly. For instance, by analyzing sales data, a business owner can identify peak sales periods and adjust their inventory or marketing strategies to maximize profits. In this way, record-keeping contributes not only to the efficiency of day-to-day operations but also to long-term strategic planning.

Furthermore, according to previous studies, businesses with robust record-keeping systems can effectively manage cash flow, ensuring that they have sufficient resources to meet their financial obligations. By having accurate records of income and expenditures, SSEs are better able to avoid liquidity problems and ensure financial stability. As a result, record-keeping becomes a fundamental resource for achieving business longevity and success.

The Role of Record-Keeping in Resource Allocation: The RBV theory also highlights the importance of efficient resource allocation for achieving competitive advantage. Record-keeping facilitates effective resource allocation by providing business owners with the necessary data to assess how resources are being utilized across different aspects of the business. For example, inventory records allow business owners to monitor stock levels, avoid overstocking or under stocking, and manage working capital more efficiently.

According to some scholars, all businesses often face resource constraints, making it critical to allocate resources efficiently. Proper record-keeping enables business owners to track resource utilization and make data-driven decisions about how to allocate their limited resources. For instance, by reviewing financial records, a small business can determine which areas of their operations are the most profitable and which require more investment, ensuring that resources are allocated where they are most needed.

Additionally, record-keeping allows small businesses to better manage their workforce, ensuring that labor resources are utilized efficiently. Employee records, such as attendance, hours worked, and performance reviews, can help business owners make informed decisions about staffing needs and payroll management, contributing to a more effective and efficient operation.

Sustainability and Competitive Advantage: In line with the RBV theory, sustainability is another crucial element for SSEs seeking to maintain a competitive advantage over time. Record-keeping is vital for ensuring the long-term sustainability of small businesses. By maintaining accurate records, business owners can identify potential risks, track financial health, and make adjustments to their strategies as needed. Previous studies argue that businesses that fail to keep accurate records may struggle to identify risks, leading to poor financial management, regulatory non-compliance, and even business failure.

Furthermore, businesses that consistently track and analyze their performance are better positioned to adjust to changing market conditions and consumer preferences, ensuring that they remain competitive. As such, record-keeping is not only about managing current resources but also about planning for the future. According to previous studies, firms that can systematically manage their resources and adapt to changes in the market environment are more likely to achieve sustainable growth and competitive advantage.

Knowledge Management and Innovation: Finally, the RBV theory emphasizes that firms can use their resources to foster innovation and knowledge management, both of which are essential for growth. Record-keeping serves as a repository of knowledge and information that can be accessed and used to generate new ideas, improve business processes, and innovate products or services. According to scholars, firms with access to valuable knowledge resources can develop unique capabilities that allow them to outperform competitors.

In this regard, record-keeping not only helps businesses track performance but also enables them to learn from past experiences. By reviewing historical records, small businesses can identify successful strategies, avoid past mistakes, and innovate in ways that improve their competitiveness. Previous studies argue that small businesses that use their records for learning and innovation are better equipped to adapt to market demands and technological changes.

Empirical Review: The importance of proper record-keeping for small-scale enterprises (SSEs) has been widely documented in various studies, with empirical evidence consistently supporting the correlation between systematic record-keeping and business success. Several researchers have explored how businesses that engage in proper record-keeping practices tend to experience higher financial growth, improved operational efficiency, and enhanced sustainability. This section reviews relevant empirical studies, focusing on the role of record-keeping in the success of small businesses in both developed and developing economies.

Record-Keeping and Financial Performance: In a study, the authors explored the relationship between financial record-keeping and the financial performance of small businesses in Nigeria. They found that small businesses that maintained accurate financial records had a better understanding of their cash flow, enabling them to make informed decisions regarding resource allocation and investment. These businesses were also better positioned to secure loans and attract investors due to their transparent financial practices (24). The study concluded that businesses with poor record-keeping practices often struggled with financial mismanagement, which hindered their ability to expand or sustain operations in the long term.

Similarly, the author conducted a study on the role of financial record-keeping in the success of SSEs in Nigeria. They observed that businesses that employed accurate record-keeping practices were able to track their profits and losses effectively, allowing them to identify inefficiencies and make necessary adjustments to improve profitability. The study highlighted that improper record-keeping, on the other hand, led to financial mismanagement, resulting in business failure and bankruptcy. These findings underscore the importance of record-keeping for financial performance and business growth.

Record-Keeping and Business Decision-Making: The role of record-keeping in supporting effective business decision-making has also been well-documented. According to the study, accurate records allow business owners to make data-driven decisions regarding operations, marketing strategies, and expansion. Their study found that small business owners who maintained proper records had a clear understanding of their business's strengths and weaknesses, enabling them to capitalize on opportunities and address challenges promptly.

In their empirical research on small businesses in the retail sector, the study found that proper record-keeping practices helped business owners make informed decisions about inventory management, product pricing, and customer relations. Businesses with efficient record-keeping systems were able to track sales trends, predict customer demand, and avoid stockouts or overstocking, all of which contributed to higher customer satisfaction and profitability. The study emphasized that the absence of proper records resulted in poor decision-making, missed opportunities, and operational inefficiencies.

Record-Keeping and Access to Financial Resources: A key aspect of record-keeping is its role in facilitating access to external financial resources, such as loans, grants, and investor funding. The author conducted a study on the challenges faced by small businesses in accessing finance and found that inadequate record-keeping practices were a major barrier to securing external funding. Their research revealed that financial institutions and investors were more likely to support businesses that had a clear, verifiable financial history, which could only be provided through accurate record-keeping.

Furthermore, the study examined how proper record-keeping influences the ability of small businesses to access credit from banks and other financial institutions. Their findings indicated that businesses with well-maintained records, such as income statements, balance sheets, and tax returns, were more likely to receive loans and favorable credit terms. On the other hand, businesses that lacked proper documentation were often rejected for loans, as financial institutions perceived them as high-risk borrowers.

Record-Keeping and Tax Compliance: Another significant benefit of record-keeping is its role in ensuring tax compliance. According to previous studies, businesses that maintain accurate records are better positioned to comply with tax regulations, avoid penalties, and ensure that they are paying the correct amount of tax. Their study found that poor record-keeping often led to tax evasion or underreporting of earnings, which could result in legal issues and fines.

In a similar vein, some scholars highlighted that record-keeping is essential for maintaining proper tax records, which are necessary for businesses to fulfill their legal obligations. They found that businesses that were proactive in keeping accurate tax records were more likely to avoid issues with the tax authorities and were perceived as more trustworthy by regulators.

Record-Keeping and Business Sustainability: Sustainability is another area where proper record-keeping plays a crucial role. Scholars argue that the sustainability of small businesses is directly linked to the ability of business owners to track their performance and adapt to changes in the market. Their study found that businesses that used accurate records to assess their financial health were better equipped to make strategic decisions that ensured long-term sustainability. For example, record-keeping enabled businesses to monitor their cash flow, plan for future growth, and manage risks, all of which are essential for long-term survival.

Similarly, some studies found that small businesses that maintained proper records were more likely to survive in competitive markets. They observed that businesses with organized financial records could better withstand economic downturns or financial challenges, as they were able to manage their resources more effectively. The study concluded that record-keeping is a key determinant of business sustainability, as it allows small businesses to plan for the future and make informed decisions about expansion and diversification.

Record-Keeping and Entrepreneurial Development: In addition to its impact on business performance, record-keeping also contributes to the development of entrepreneurship. Some scholars found that small businesses that adopted efficient record-keeping practices were more likely to grow and scale their operations. Their study suggested that business owners who engage in systematic record-keeping are more entrepreneurial in nature, as they have a better understanding of their business environment, financial status, and potential growth opportunities. By maintaining accurate records, entrepreneurs are able to assess their progress and identify areas for improvement, which fosters innovation and business development.

Methodology

The study adopts a descriptive survey design as its research methodology to collect and analyze primary data regarding the record-keeping practices among small-scale enterprises (SSEs) in Agbor, Delta State. A descriptive survey design is particularly appropriate for this type of research because it allows the researcher to collect detailed information about a population's characteristics, behaviors, and practices, without manipulating or controlling the variables. The primary purpose of using a descriptive survey design is to provide an accurate and detailed snapshot of the record-keeping practices in SSEs in Agbor. This approach enables the researcher to collect data from a large number of business owners or managers, giving a broad view of their record-keeping habits, challenges, and perceptions. By using this method, the study seeks to identify trends, common practices, and the factors that influence how business owners manage their business records.

The population for this study comprises all small-scale business owners operating within Agbor, Delta State. This includes individuals who own and manage businesses across various sectors such as agriculture, retail, manufacturing, and services. These business owners are the primary respondents for the study, as their record-keeping practices are central to the research objectives. The diverse range of businesses within Agbor provides a representative sample to explore the record-keeping behaviors and challenges faced by small-scale enterprises in the town. The sample for this study consists of 100 small-scale business owner's selected using purposive sampling. Purposive sampling, also known as judgmental sampling, is employed for choose participants who are directly involved in the record-keeping practices of small-scale enterprises in Agbor town. The aim is to select individuals who are knowledgeable about and actively engaged in the business's operations, particularly its financial and operational record-keeping.

Data Screening and Missing Data Adoption

Data screening is the process of examining and cleaning a dataset to ensure that it is suitable for statistical analysis. Errors, missing data, and outliers that could distort the results are identified and corrected by a thorough screening process.

Data Accuracy and Data Entry Errors Checking Techniques

Seek out values that differ from the permitted minimum and maximum of a variable. The lowest and highest values for any variable can be found using descriptive statistics.

Identify and address any missing data: Analyze missing data to find each variable's pattern and proportion of missing values.

The following are common approaches to handling missing values:

Consider situations in which data is not available and imputation (replace) missing values using a reliable approximation, such as the variable's mean or median.

Identify and address outliers: Look for situations (univariate or multivariate outliers) where one or more variables have extraordinary values.

Univariate outliers can be found using boxplots. Next, you can eliminate the number, modify the data to mitigate the effect of the outlier, or, in some cases, eliminate the case completely. Multivariate outliers can be found using Mahalanobis distance, which determines how far apart a case is from the multivariate mean of the other examples.

Keep an eye out for duplicate cases: Identify and correct instances when the same or nearly identical data has been entered for a case more than once.

Analyze the underlying statistical assumptions: Verify that your data meets the assumptions of the statistical tests you plan to use. Among the crucial assumptions to confirm are:

Normality is the assumption that the data is normally distributed. Normality can be visually confirmed using a histogram or statistical tests like the Shapiro-Wilk or Kolmogorov-Smirnov tests. Linearity is the assumption that variables are connected in a straight line.

Homoscedasticity is the theory that the variance in the dependent variable is the same at all levels of the independent variable. Assess the respondent's degree of involvement: Analyze survey findings to identify respondents who answered "3, 3, 3" for each item or in a repetitious or nonsensical manner, as these may indicate low interest. Keep track of all changes: Carefully documenting all dataset revisions and data screening processes is essential. This ensures the honesty and integrity of your study.

The final four hypotheses are targeted against four different research questions as follows:

Hypothesis 1 (H_1): Research Question 1- What types of records do small-scale enterprises in Agbor maintain?

Hypothesis 2 (H_2): Research Question 2- How does record-keeping influence the growth of SSEs?

Hypothesis 3 (H_3): Research Question 2- How does record-keeping influence the growth of SSEs?

Hypothesis 4 (H_4): Research Question 4- What strategies can be adopted to improve record-keeping?

Results

Gender Distribution

The demographic characteristics of the respondents are summarized to provide data for the analysis. The demographic information collected includes gender, age, and type of small-scale enterprises. This table 1 reflects gender distribution of respondent and it shows that 65% of the respondents were male, while 35% were female. This distribution indicates a fairly balanced representation of both genders.

Age Distribution

This is table 2 below which reflects age distribution of respondents and it shows that the majority of the respondents (25%) were between 18 and 25 years old, followed by 40% who were between 26 and 35 years old, and 35% who were between 36 and 45 years old.

Table 1: Gender Distribution of Respondents

Gender	Frequency	Percentage (%)
Male	65	65
Female	35	35
Total	**100**	**100**

Table 2: Age Distribution of Respondents

Age Range	Frequency	Percentage (%)
18 – 25 years	25	25.00
26 – 35 years	40	40.00
36 – 45 years	35	35.00
Total	**100**	**100**

Table 3: Types of Records Maintained by Small-Scale Enterprises

S/No	Items	VHE	HE	LE	VLE	Mean	Remark
1	To what extent do you maintain financial records for your business?	44	24	18	14	2.98	HE
2	To what extent do you maintain inventory records?	48	28	12	12	3.12	HE
3	To what extent do you maintain sales transaction records?	46	25	15	14	3.03	HE
4	To what extent do you maintain employee records, such as salaries or work schedules?	39	28	18	15	2.91	HE
5	To what extent do you maintain tax-related records?	47	26	17	10	3.1	HE

6	To what extent do you update your records regularly (e.g., daily, weekly)?	47	28	15	10	3.12	HE
7	To what extent do you use digital tools (e.g., accounting software, spreadsheets) to maintain records?	45	30	14	11	3.09	HE
8	To what extent do you rely on paper-based methods for keeping records?	44	27	17	12	3.03	HE
9	To what extent do you document expenses incurred in your business?	46	29	13	12	3.09	HE
10	To what extent are your records detailed enough to meet legal or tax requirements?	44	26	20	10	3.04	HE

Hypothesis 1 (H_1): There is a significant variation in the types of records maintained by small-scale enterprises in Agbor based on the industry sector (e.g., agriculture, retail, manufacturing).

Table 3 above represents the types of Records Maintained by Small-Scale Enterprises and it shows High Extent (HE) are across all the items which denote that the data indicates that all listed record-keeping activities are practiced to a high extent (HE) among small-scale enterprises in Agbor, with mean scores ranging from 2.91 to 3.12. This suggests that financial records, inventory records, sales records, tax-related records, and expense documentation are core practices. Digital Tools Usage (Mean: 3.09): The mean score for digital tools indicates a growing acceptance of modern record-keeping methods among small businesses, though some reliance on paper-based methods (Mean: 3.03) persists. Employee Records (Mean: 2.91): Maintaining employee records has the lowest mean, suggesting that it is less prioritized compared to other forms of record-keeping. This could be due to the nature of small-scale enterprises, where formal employment structures might not always exist. Regular Updates (Mean: 3.12): The high mean score for regular updates indicates that most businesses understand the importance of timely record maintenance, crucial for operational efficiency and compliance.

The findings support the hypothesis (H_1) that there is significant variation in the types of records maintained by small-scale enterprises, reflecting the diversity in their operational focus and sectoral differences. Most enterprises prioritize core financial and operational records, while others, such as employee records, are less consistently maintained. This highlights the need for targeted interventions to address gaps, especially in industries with specific record-keeping requirements. This analysis aligns with existing literature that underscores the critical role of systematic record-keeping in small business sustainability and growth.

Hypothesis 2 (H_2): Effective record-keeping positively influences the growth of small-scale enterprises in Agbor.

Table 4 below reflects the influence of Record-Keeping on Business Growth and it shows the High Extent (HE) Across All Items: The mean scores for all items fall within the range for a high extent (HE), indicating that small-scale enterprises in Agbor generally recognize the positive influence of record-keeping on their business growth.

Table 4: Influence of Record-Keeping on Business Growth

S/No	Items	VHE	HE	LE	VLE	Mean	Remark
1	To what extent do you believe record-keeping contributes to the growth of your business?	34	35	16	15	2.88	HE
2	To what extent has maintaining proper records helped you access loans or financial support?	39	30	18	13	2.95	HE
3	To what extent do you rely on records for making critical business decisions?	34	33	17	16	2.85	HE

4	To what extent has record-keeping helped you identify growth opportunities for your business?	30	32	22	16	2.76	HE
5	To what extent does record-keeping help you track cash flow and expenses?	33	28	18	21	2.73	HE
6	To what extent do you feel that proper record-keeping has improved your profitability?	28	28	24	20	2.64	HE
7	To what extent has record-keeping contributed to the long-term sustainability of your business?	34	33	23	10	2.91	HE
8	To what extent do you think record-keeping helps improve your business reputation with stakeholders?	33	33	19	15	2.84	HE
9	To what extent do your records assist in financial planning and budgeting?	39	33	17	11	3	HE
10	To what extent do you attribute your business success to maintaining accurate records?	33	30	20	17	2.79	HE

Access to Loans and Financial Support (Mean: 2.95): Respondents perceive that proper record-keeping is crucial for accessing financial support, demonstrating its role in establishing credibility with lenders. Financial Planning and Budgeting (Mean: 3.00): Records play a pivotal role in planning and managing business finances, aiding in the efficient allocation of resources. Sustainability (Mean: 2.91): Proper record-keeping contributes to the long-term stability of businesses, ensuring they can adapt and thrive over time. Profitability (Mean: 2.64): The relatively lower mean score suggests that while record-keeping influences profitability, its direct impact is not as strongly perceived. This may indicate that other factors, such as market conditions or operational efficiency, play a role. Identifying Growth Opportunities (Mean: 2.76): The ability to leverage records for identifying growth opportunities is moderately rated, suggesting room for improvement in how businesses analyze and utilize their records. The findings suggest that most small-scale enterprises understand the importance of maintaining accurate records for decision-making, tracking expenses, and ensuring compliance. However, challenges such as translating records into actionable insights for growth remain.

The analysis supports Hypothesis 2 (H_2): Effective record-keeping positively influences the growth of small-scale enterprises in Agbor. The data underscores that proper documentation practices contribute significantly to access to financial resources, planning, and sustainability. These findings agree with previous studies which highlight the transformative impact of effective record-keeping on small business sustainability and growth (25).

Hypothesis 3 (H_3): There are significant challenges faced by small-scale enterprises in Agbor regarding proper record-keeping practices.

Table 5: Challenges in Record-Keeping

S/No	Items	VHE	HE	LE	VLE	Mean	Remark
1	To what extent do you face challenges due to lack of knowledge or skills in record-keeping?	30	32	20	18	2.74	HE
2	To what extent does limited time hinder your ability to maintain proper records?	34	33	25	8	2.93	HE
3	To what extent does lack of financial resources affect your record-keeping?	31	34	20	15	2.81	HE

4	To what extent does the size of your business contribute to record-keeping challenges?	35	35	20	10	2.95	HE
5	To what extent have you experienced difficulties in using digital tools for record-keeping?	34	30	24	12	2.86	HE
6	To what extent does inconsistent documentation affect the quality of your records?	36	35	23	6	3.01	HE
7	To what extent does cultural or community perception influence your record-keeping practices?	33	33	20	14	2.85	HE
8	To what extent do you face challenges in organizing and categorizing business records?	24	26	25	25	2.49	LE
9	To what extent does the cost of professional record-keeping services act as a barrier?	22	32	26	20	2.56	HE
10	To what extent have these challenges limited your business growth?	30	30	30	10	2.8	HE

Table 5 above encapsulates the challenges in Record-Keeping and it shows the High Extent (HE) for Most Items: The mean scores for most items suggest that small-scale enterprises in Agbor face considerable challenges in maintaining proper records. Inconsistent Documentation (Mean: 3.01): Respondents reported that irregular and incomplete documentation of transactions is a major hindrance, leading to poor-quality records. Time Constraints (Mean: 2.93): Limited time for record-keeping, often due to the small size of these businesses, is a common barrier. Business Size (Mean: 2.95): The small scale of operations itself contributes to challenges in adopting robust record-keeping practices. Digital Tool Usage: A mean score of 2.86 indicates that difficulties in using digital tools are prevalent but not the most significant issue. This could suggest limited awareness or training in technology adoption. Low Extent (LE): Organizing and Categorizing Records (Mean: 2.49): Challenges related to organization and categorization of records received the lowest rating, indicating it is less significant compared to other factors. Cost of Professional Services: The cost of hiring professionals or acquiring record-keeping tools acts as a barrier to some extent (Mean: 2.56). The findings suggest that challenges related to knowledge, time, and inconsistent practices are the most prominent among small-scale enterprises in Agbor.

The analysis supports Hypothesis 3 (H_3): There are significant challenges faced by small-scale enterprises in Agbor regarding proper record-keeping practices. These challenges include inconsistent documentation, limited financial resources, and lack of time or technical skills, all of which hinder effective record management. These findings agreed with previous study who emphasize that addressing these challenges is crucial to improving the financial health and sustainability of small businesses (26).

Hypothesis 4 (H_4): Adopting specific strategies (e.g., training, technology integration, outsourcing) significantly improves the record-keeping practices of small-scale enterprises in Agbor.

Table 6: Strategies for Improving Record-Keeping

S/No	Items	VHE	HE	LE	VLE	Mean	Remark
1	To what extent do you think training programs on record-keeping would improve your practices?	44	24	18	14	2.98	HE

2	To what extent would adopting accounting software enhance your record-keeping?	33	30	22	15	2.81	HE
3	To what extent do you think automating record-keeping can reduce errors and save time?	46	25	15	14	3.03	HE
4	To what extent would hiring a professional accountant benefit your record-keeping?	39	28	18	15	2.91	HE
5	To what extent do you believe a government-sponsored training program would help small-scale enterprises with record-keeping?	47	26	17	10	3.1	HE
6	To what extent would regular workshops or seminars help improve your record-keeping skills?	47	28	15	10	3.12	HE
7	To what extent do you think setting up a regular schedule for record-keeping would improve your practices?	45	30	14	11	3.09	HE
8	To what extent do you think investing in digital tools is feasible for improving your records?	44	27	17	12	3.03	HE
9	To what extent would outsourcing record-keeping tasks to professionals help improve your business operations?	46	29	13	12	3.09	HE
10	To what extent do you think formal record-keeping policies would enhance the efficiency of your business?	44	26	20	10	3.04	HE

Table 6 above captured the Strategies for Improving Record-Keeping which encapsulates Training and Workshops: The highest mean score (3.12) indicates that respondents believe regular workshops and seminars would be the most effective strategy for improving record-keeping skills. Training programs were also rated highly (2.98), emphasizing the importance of knowledge-building initiatives. Technology Integration: Strategies such as automating record-keeping (3.03) and adopting digital tools (3.03) are seen as impactful, though there may be concerns about feasibility or costs. Outsourcing and Professional Assistance: Hiring professional accountants (2.91) and outsourcing tasks (3.09) were rated as effective strategies, suggesting a willingness among respondents to delegate record-keeping responsibilities. Government and Policy Support: Government-sponsored training programs scored highly (3.10), highlighting the potential role of external support in improving practices. Scheduling and Discipline: Regular schedules for record-keeping (3.09) and implementing formal policies (3.04) were viewed as practical measures to enhance efficiency.

The findings support Hypothesis 4 (H_4): Adopting specific strategies significantly improves record-keeping practices. Small-scale enterprises in Agbor identify workshops, automation, and government intervention as key strategies. These strategies are in agreement with findings by other scholars, who noted that targeted interventions and capacity-building initiatives significantly enhance business operations and financial transparency.

Discussion

The study examined the role of record-keeping in the development of small-scale enterprises (SSEs) in Agbor, Delta State, addressing four research questions. The findings were analyzed based on descriptive statistics and aligned with the hypotheses.

Hypothesis 1 (H_1)

Findings revealed that most SSEs in Agbor maintain essential records such as financial transactions, sales, inventory, and tax-related documents. The high mean scores across these items indicate that these records are prioritized due to their relevance to daily business operations. However, records such as employee details and digital documentation were less consistently maintained, reflecting a potential gap in comprehensive record management.

This agree with the findings of other studies, who noted that while SSEs often focus on financial and sales records, areas like employee and operational documentation are frequently neglected. This could be attributed to a lack of awareness or perceived irrelevance of such records.

Hypothesis 2 (H_2)

The analysis showed a positive relationship between effective record-keeping and business growth. Key areas of influence include access to loans, financial planning, and identifying growth opportunities. Respondents strongly agreed that maintaining accurate records has improved cash flow management and profitability.

This corroborates the findings of other previous studies that asserted that businesses with proper record-keeping practices experience greater financial stability and sustainability. Despite the positive impact, some respondents reported challenges in leveraging records for strategic growth, suggesting that further education and tools are needed to optimize record use.

Hypothesis 3 (H_3)

The study identified significant challenges, including a lack of knowledge, limited financial resources, and time constraints. Cultural factors and the cost of professional services also emerged as barriers to proper record-keeping. The mean scores for these items indicated a "high extent" of these challenges, confirming their pervasive impact on record-keeping practices.

Some studies similarly highlighted these challenges in Nigerian SSEs, particularly the lack of technical skills and financial constraints. The findings underscore the need for targeted interventions to address these barriers, such as subsidized training programs and simplified record-keeping tools.

Hypothesis 4 (H_4)

The findings suggest that strategies such as regular training programs, adoption of digital tools, and government-supported initiatives can significantly enhance record-keeping practices. Workshops and seminars were particularly favored, indicating the importance of practical, hands-on learning for business owners.

This is consistent with some other studies who emphasized the role of capacity-building initiatives in improving record-keeping among small businesses. Additionally, automating record-keeping processes was seen as a viable solution to reduce errors and save time, though concerns about cost and accessibility persist (27).

Overall, the findings demonstrate that while small-scale enterprises in Agbor recognize the importance of record-keeping, various challenges limit their ability to maintain comprehensive and accurate records. The study highlights the need for a multifaceted approach involving education, technology, and policy support to enhance record-keeping practices.

The Resource-Based View (RBV) theory supports these findings by emphasizing the importance of managing resources, such as financial records and operational data, to achieve a competitive advantage. By addressing the identified challenges and adopting the recommended strategies, SSEs in Agbor can improve their performance and sustainability.

Conclusion

This study investigated the role of record-keeping in the development of small-scale enterprises (SSEs) in Agbor, Delta State. Using a descriptive survey design, data were collected from 100 small-scale business owners across various industries. The study explored the types of records maintained, the influence of record-keeping on growth, the challenges faced, and strategies to improve practices. The study concludes as follows:

- Types of Records Maintained: SSEs in Agbor predominantly maintain financial, sales, inventory, and tax-related records. However, less attention is given to employee and operational records.
- Influence of Record-Keeping on Growth: Effective record-keeping was found to positively impact business growth, facilitating

access to loans, financial planning, and profitability.

- Challenges in Record-Keeping: Key challenges include a lack of knowledge, limited financial resources, time constraints, and cultural factors.
- Strategies to Improve Record-Keeping: Training programs, adoption of digital tools, government-sponsored initiatives, and outsourcing to professionals were identified as effective strategies to improve record-keeping practices.

The study aligns with the Resource-Based View (RBV) theory, which emphasizes efficient resource management, including information and financial records, as essential for competitive advantage. The study findings also empirically conclude that record-keeping plays a vital role in the growth and sustainability of SSEs in Agbor. While most businesses recognize its importance, challenges such as limited knowledge, financial constraints, and time management hinder effective practices. Adopting targeted strategies, including training and technology integration, can bridge these gaps and enhance the performance of SSEs. Record-keeping is not merely a routine task but a strategic tool that empowers small-scale enterprises to achieve growth, sustainability, and competitiveness in an increasingly dynamic business environment.

Recommendations

Based on the findings, the following recommendations are proposed:

For Business Owners

1. Invest in Training: Business owners should participate in regular workshops and seminars to improve their record-keeping skills.
2. Adopt Digital Tools: Transitioning from manual to digital systems, such as accounting software and spreadsheets, can enhance accuracy and efficiency.
3. Develop a Schedule: Establishing a regular routine for updating records (e.g., daily or weekly) can reduce inconsistencies and improve record accuracy.

For Policymakers and Government Agencies

- Introduce Subsidized Training Programs: Governments should organize affordable or free training sessions tailored to small-scale business owners.
- Provide Access to Tools: Subsidies for digital tools and record-keeping software can make these resources more accessible to SSEs.
- Create Awareness Campaigns: Sensitization campaigns should educate business owners on the importance of maintaining comprehensive records.

For Researchers and Academics

- Industry-Specific Studies: Further research should focus on industry-specific record-keeping practices and challenges.
- Longitudinal Studies: Conducting longitudinal studies to track the impact of implemented strategies on business performance will provide valuable insights.

Contribution to Knowledge

This study contributes to the understanding of record-keeping practices among small-scale enterprises, emphasizing its role in fostering growth and sustainability. It also highlights the unique challenges faced by SSEs in Agbor, providing practical solutions and strategic recommendations for improvement.

Suggestions for Further Studies

- Comparative Analysis: Future research could compare record-keeping practices across different regions or industries to identify broader trends and insights.
- Impact of Digital Transformation: Investigating the effectiveness of digital tools in improving record-keeping among SSEs could yield actionable recommendations.
- Policy Evaluation: Evaluating the impact of government-led initiatives on record-keeping practices would provide valuable feedback for policymakers.

By addressing these areas, future research can build on the foundation established by this study, further advancing the knowledge and practice of record-keeping for small-scale enterprises.

Abbreviations

FR: Financial Records, NBS: Nigerian Bureau of Statistics, RBV: Resource-Based View Theory, SSE: Small-scale Enterprises.

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Author Contributions

Ernest Jebolise Chukwuka: literature review, analyses, the introductory pages, Abude Peter: conclusion, references, Priscillia Chinyere Efurueze: research method, Augustine Nwaonye Okolobi: Results, discussion, Idoye Christian: conclusion, references.

Conflict of Interest

The authors declare no conflict of interest.

Declaration of Artificial Intelligence (AI) Assistance

This paper is a human intellectual contribution and is not AI generated.

Ethics Approval

All participants gave their informed consent, and the management of the companies that were used for the study gave its approval. No children participated in the study; all responders were adults.

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