

Impact of Record Keeping Practices on Business Performance of Small and Medium Scale Enterprises in Sri Lanka

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Abstract

Record keeping plays a vital role in development by providing recorded information which is crucial in the strategic formulation of national development policies and plans. The purpose of the study is to examine the influence of record keeping practices on the business performance of small and medium scale enterprises in Sri Lanka. Record keeping practices consists of proper accounting records, preparation of accounting records and accounting records procedures whereas business performance is measured by organizational goal achievement, organizational effectiveness and organizational efficiency records. A structured questionnaire was used to collect the primary data from 75 SMEs which were selected by means of the random sampling technique. The results reveal that record keeping practices have significant positive influence on business performance of Small and medium enterprises in Sri Lanka. It can be recommended that academic institutions and other bodies which are responsible for SMEs should organize training programmes for those operators who do not have the technical knowhow in the field of accounting to come to grips with it and also provide some SME-specific accounting guidelines and template forms for capturing accounting practices for the operators to use.

Keywords: Business performance, Organizational effectiveness, Organizational efficiency, Record keeping practices

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