

## Book Keeping on SME Performance in Munuki Payam-Juba Central Equatoria State, South Sudan

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**Abstract:** The study explored the effect of bookkeeping on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan. The study adopted a descriptive cross-sectional design and a respondent of 99 owner managers of SMEs were considered. The study tested three null hypotheses: (i) Budgeting has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan, (ii) Tax compliance has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan, and (iii) Decision making has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan. The first null hypothesis was accepted, while both the second and third were rejected. The conclusion was made that bookkeeping significantly effects SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan [ $F(1, 97) = 22.293$ ,  $p < 0.05$ ;  $R^2 = 0.947$ ]. Recommendations were given with regards to Owner manger training and government policy to enhance book keeping in order to improve SME performance. The study has attempted to respond to the call of Ahuja (2009) and Nyaga (2019) with regards to effect of book keeping in SME performance.

**Keywords:** Bookkeeping, SME performance, South Sudan.

### 1.0 INTRODUCTION

Book-keeping have been perceived in many nations of the world as methods of ensuring SMEs performance in the competitive challenging global economy. For an enterprise to continue to be in existence develop competitive capabilities that enables her abilities to accomplish distinction, it ought to have a dynamic unfaltering and productive bookkeeping method (Inasovilizuari & Fontana, 2021). In this way, a good financial related book-keeping has turned out to be fundamental instrument of overseeing firms' performance in today's aggressive and challenging business condition. Most successful business or SMEs today are those that uses a basic financial book-keeping to maintain revenues of the business, control allocation of resources, minimize risk and monitor expenditures thus good performance (Amoako, 2013). This assert that variation in financial performance of small and medium Enterprises (SMEs) can largely be explained by the level of book-keeping of accounts. The European Commission (EC) views SMEs to a great extent, in expression of the number of workers, and further categories them as: Firms with 0 -9 workers are classified as Micro Enterprise, while those with 10- 99

workers are small Enterprise and finally 100-499 workers- medium Enterprises.

In South Sudan, SMEs play a major role in the economy. They contribute to the economy in terms of output of goods and services creating demand and supply for their products, contributes to the increase participation of most South Sudanese in the economic activities, strengthen the forward and backward linkages among socially, economically, geographically, diverse sectors of the economy and offer opportunities for entrepreneurial and managerial talents among the South Sudanese who are mostly operating in Munuki Payam (Ministry of Commerce, Trade and Industry, 2016). Although SMEs play a big role in the development of the economy, most researchers point out that they have not been performing well. Recent studies indicate that the most probable cause is the lack of or limited bookkeeping (Chepkemioi, 2013).

Gatuhu (2013) defined SMEs performance as the ability to operate efficiently, profitably, survive, grow and react to the environmental opportunities and threats. Today SMEs are seeking financial sustainability in order to achieve performance and growth. According

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to Chol, Kamau, & Kalunda, (2019) SMEs performance has been an interest to investors and lenders. This is due to the fact that financial performance has a critical implication for economic growth in any country and its generally considered to be the reflector of financial and economic conditions of a country and her economy (Chol, Kamau, & Kalunda, 2019). SMEs performance may relate to actual results or outputs of certain activities, how the activity is carried out or the potential for the activities. Performance can be divided into three domains: financial performance, business performance and organizational effectiveness (Gacugu, 2013).

South Sudan is one of the poorest nations in terms of infrastructures in the global arena. Weak institutions continue to confuse business environment and it undermines business going concern when book-keeping practices are not used to achieve desired performance by SMEs in Munuki Payam (Ministry of Commerce, Trade and Industry, 2016). Despite, the numerous attempts by Government and partners to strengthen the capacity of SMEs in Munuki Payam, the context of book-keeping has not been widely understood (World Bank Group, 2012). More so, according to Zotorvie (2017) performance of SMEs in least developed countries like South Sudan, modern accounting systems are irrelevant instead book-keeping must be the main focus for business growth. Therefore, 17 percent of SMEs practices book-keeping. However, 83 percent of the total SMEs in Munuki Payam have not embraced book-keeping as factor for business growth (Zotorvie, 2017). Poor SME performance has been documented all across the developing world due to the many challenges they face, South Sudan is not exempted (Zotorvie, 2017). To achieve sound performance in today's business dynamics by SMEs requires the technical skills and understanding of how to maintain proper book-keeping. That is why this study seeks to find best ways possible and how SMEs can embrace book-keeping practices to achieve sustainable growth in Munuki Payam of Juba County.

The general objective of this study therefore was to ascertain the role of book-keeping on the performances of SMEs registered and operating in Munuki Payam-Juba South Sudan. More specifically the study tested the following null hypothesis: (i)  $H_{01}$ : Budgeting has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan, (ii)  $H_{02}$ : Tax compliance has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan, and (iii)  $H_{03}$ : Decision making has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan.

## 2.0 LITERATURE REVIEW

### 2.1 Book Keeping

Simply put, bookkeeping is the keeping track of a business's financial transactions. Bookkeeping is an

essential aspect of accounting and mainly focuses on documenting day-to-day financial dealing of the business. The roles of bookkeeping by SMEs can best be sustained through the implementation of fundamental financial and accounting practices (Zotorvie, 2017). According to Ernest (2018), when effectively kept, bookkeeping significantly effects the survival of small businesses. However, it has been reported that many SMEs failed to keep adequate accounting records to generate the much-needed accounting information that owner-managers and other users require for their decision-making purposes which led to major problems (Ngida *et al.*, 2022). According to Zotorvie (2017) weak internal accounting systems of some SMEs are results of poor planning, weak expense control, low collection of accounts receivable, poor financial condition, and inadequate information for decision making purposes.

### 2.2 SME Performance

Several researchers have a consensus on the fact that that organizational performance is a multifaceted, complex phenomenon and is a function of many variables (Nakacwa *et al.*, 2022). Gatuhu (2013) defined SMEs performance as the ability to operate efficiently, profitably, survive, grow and react to the environmental opportunities and threats. According to Chol, Kamau, & Kalunda, (2019) SMEs performance has been an interest to investors and lenders. This is due to the fact that financial performance has a critical implication for economic growth in any country and its generally considered to be the reflector of financial and economic conditions of a country and her economy (Chol, Kamau, & Kalunda, 2019). SMEs performance may relate to actual results or outputs of certain activities, how the activity is carried out or the potential for the activities. Performance can be divided into three domains: financial performance, business performance and organizational effectiveness (Gacugu, 2013). Mabwai, (2016), observed that Firm performance is a multidimensional construct that consists of four elements such as customer-focused performance, including customer satisfaction, and product or service performance; financial and market performance, including revenue, profits, market position, cash-to-cash cycle time, and earnings per share; human resource performance, including employee satisfaction; and organizational effectiveness, including time to market, level of innovation, and production and supply chain flexibility (Mabwai, 2016). According to Chol, Nthambi and Kamau (2019), the main aim of SMEs is to register better performance through sustained profitability and sales growth. SMEs performance is also important in the competitiveness in the world economy not only to stakeholders of a firm but also to firms within the same industry (Chol, Nthambi & Kamau, 2019). Several studies have adopted a variation of measures when it comes to SME performance, such as ROI, ROA, profitability, market share growth, employee satisfaction, innovation, customer

satisfaction, quality service and sales volume among others. This study adopted those stipulated by several authors (Ngida *et al.*, 2022; Aimable *et al.*, 2019; Chol, Kamau, & Kalunda, 2019) which includes profitability, market share growth and sales volume.

### 2.2.1 Budgeting and SME Performance

Abongo (2017) Budgeting refers to a process steps and timing may vary across organizations, includes assessing the variance between the budgeted and the actual amount; ascertaining and prioritizing business objectives and needs of the approaching periods; projecting and evaluating components such as; current trends in the business environment, incoming revenues and the risk involved, ensuring that the funding proposals align with the firm strategic objectives and that approaches and procedures put in place for plan execution and monitoring; than lastly, wrapping and communicating the requests for funds to the board responsible for reviewing and approving the budget (Abongo, 2017). Budget is an important part of the effective financial management of any institution, public or private, since it accomplishes many tasks (Mulani, Chi & Yang, 2015). Budget is viewed as a management tool. The main objective of which is to plan and manage the firm or Company's finance. Mulani, Chi & Yang (2015) posit that budget is a technique for setting the organization's priorities by giving first preference of the scarce resources to those activities that are considered most important. The budgeting process is, therefore, a vital tool for management control system. Budgeting has been a very useful system by which the management successfully plan, coordinate, execute and control activities of the business where SMEs are not exception. Several studies have suggested a positive relationship between budgeting and SME Performance this is the case in the King, Clarkson & Wallace (2010); Mulani, Chi & Yang (2015); Chepngetich (2016); Schubert & Kirsten (2021); and Tuan and Rajagopal (2022). On the basis of these studies the null hypothesis is stated:

**Ho<sub>1</sub>:** Budgeting has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan

### 2.2.2 Tax compliance and SME Performance

Ameyaw *et al.*, (2016) stated that Tax is a charge levied on the citizens by a Country or State. Tax is an obligatory payment which the Country imposes on its citizens, firms, and organisations not as a penalty for any offence or immediate exchange of goods but as income to enable government meet its expenditure. Tax Compliance can be referred to as the process in which tax returns required to be submitted to the tax authorities are filed at the appropriate time with the accurate tax liability as required under the tax laws and regulations of a country (Ameyaw *et al.*, 2016). Lisi (2015) studies tax morale from the business viewpoint and confirmed that tax compliance among other things depends on trust in authorities. Lisi (2015) further

suggests that discouragement of noncompliance by means of enforced compliance alone is not sufficient for maximising tax compliance. Alm and McClellan (2012) researched the influence of taxes as an hindrance to doing business and the businesses tax morale as an influence of the businesses perceptive of suitability on cheating on taxes. Outside the negative effect of taxes (as a hindrance to doing business), their results (Alm and McClellan, 2012) indicate the vital role of tax morale in enterprises' tax compliance, with higher tax morale suggesting an inclination to tax compliance and vice versa. The study further confirms that enforcement efforts have fairly limited influence on tax compliance. Allon and Hageman (2012) studied the role of institutional factors such as corruption and trust in enterprises' tax compliance in transition economies. The study found that tax compliance is less evident for businesses dealing with higher levels of tax-related unofficial payments (bribes) and higher levels of individual trust (in family and friends). Machira (2007) observed that taxation of SMEs has a negative effect on SMEs sector growth and the economy by reducing sales, profit, capital and employment level. Inaccurate taxation policies and uncertainties hinder SMEs from acquiring assets to strengthen their growth (Omara & Erickson, 2015). Similarly, Adebisi & Gbegi (2013) found that multiple taxation has negative effect on SMEs' performance and ultimate survival, they also found that the size of businesses and SMEs in particular has a significant relationship with the ability to comply with taxation. Ameyaw *et al.*, (2016) observed that the absence of tax exemptions to smaller businesses, such as SMEs trying to find the footing in most developing countries limit the expansion of the businesses as compared to emerging countries. This ultimately result in poor performance and in the long run out right business failure. Ameyaw *et al.*, (2016) further asserted that the uneven nature of tax policies in many African countries and particularly the in case of the study, Ghana, can overburden SMEs and can impede their development, growth and performance. A study conducted in South African also echoed the same sentiment by depicting the significant negative effect of tax compliance costs on the performance of small businesses (Matarirano, Makina & Chiloane-Tsoka, 2019). Several studies (Allon & Hageman, 2012; Adebisi & Gbegi, 2013; Ameyaw *et al.*, 2016; Matarirano, Makina & Chiloane-Tsoka, 2019) have looked at the relationship and nature of taxation and business performance and they mostly confirm a negative effect. On the basis of these studies, they following null hypothesis is stated:

**Ho<sub>2</sub>:** Tax compliance has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan

### 2.2.3 Decision Making and SME Performance

Decision making is the act of choosing the best option from set of alternatives by thoroughly assessing possible alternatives and constraints (Ogarcă, 2010).

One of the crucial drivers of organisation performance is an effective decision (Enagi & Van Belle, 2019). Decision making is the act of acquiring, processing, synthesising and analysing information to make a rational choice after filtering (internal and external) factors that affect a given problem/situation (Enagi & Van Belle, 2019). Ultimately, however, the effectiveness of a strategic decision must be assessed based on the degree to which it enables an organization to accomplish its strategic objectives. Thus, it would be desirable to establish some measures of strategic decision effectiveness, so that the decision might be adjusted over time to ensure that it achieves its desired objective(s). The managerial decision-making process is a dynamic process that ultimately involves identifying solutions to problems (Canco, 2014).

Conducting a systemic review, Mba and Olalekan (2021) concluded by proposing that the decision-making process has a significant role in the effective organisation performance. Obi and Agwu (2017) concluded that effective decision-making based on good knowledge and pertinent data results in the achievement of desired organizational goals. Canco (2014) confirmed in the study that decision-making is a definitive component of business success, particularly in the environments of high competition. Woods, Danes and Uhalt (2019) explored the dynamics of decision making in family businesses and their findings among others confirmed the role of group, cooperative and open decision making influencing the business performance. Wu (2002) observed that high levels of organizational performance were attributed to high levels of corporate and individual ethical decisions in organisations. Zhang *et al.*, (2022) has confirmed the same in their review, their results suggest a positive correlation between decision-making and firm performance. Similar findings have been documented by Manolopoulos *et al.*, (2022), Obi and Agwu (2017), and Bags *et al.*, (2021). The pattern of quality, nature and types of decision making having a positive effect of decision making on business performance in literature is evident. On the basis of these studies, they following null hypothesis is stated:

**H<sub>03</sub>:** Decision making has no significant effect on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan

### 2.3 Bookkeeping on SME Performance

Grefalde (2020) surveyed the SMEs, to evaluate and determine the SMEs business profile and its bookkeeping practices in Tandag City, Surigao del Sur in the Philippines. The study found that the most of the SME's were in the trading sector, they have been in operation for about 3-7 years, and they earned an increasing income yearly. Their bookkeeping practices suggested that most of the SMEs employed an outsourced bookkeeper. Grefalde (2020) observed that a majority of the SME owners have no knowledge, skills or formal training in dealing with bookkeeping, and

thus consistently had cashflow problems due no financial literacy and limited bookkeeping practices. Adaane (2016) researched the connection between commitment to bookkeeping and the growth of SMEs in the Cape Coast Metropolis in South Africa. The study found that a majority SMEs lack written records in spite of the fact that most (74%) of them perceived bookkeeping as an imperative tool for business growth. The low levels of book keeping was attributed to lack of knowledge in bookkeeping, lack of record keepers, time and resources constraints among others (Adaane, 2016). The study suggested that most SME owners professed bookkeeping to have an effect on the growth of SMEs. Mulani, Chi & Yang (2015), studied the impact of budgeting on the performance of small and medium enterprises of India. A positive relationship between firm performance and budgeting process is found in their study. Abongo, (2017), sought to determine the effect of budgeting process has on the financial performance of top 100 SMEs in Kenya. The study concluded that there is strong (R=value 0.721) relationship between financial performance and budgeting processes, with financial performance accounting for 49% of the total variance of top 100 SME firms' financial performance. Further, the study concluded that budget planning, budget control, budget coordination, budget communication and budgetary evaluation processes have a positive effect which is significant on the SMEs financial performance (Abongo, 2017). Chelimo and Sophia (2014) explored the effects of bookkeeping on the growth of small and medium business enterprises in Kabarnet Town in Kenya. The study findings confirmed the maintenance of book keeping among the units of analysis and demonstrated that book keeping positively effect SMEs Performance as measured by profitability and increased business expansion in Kabarnet town. Similarly, Negou (2018) examined the effect of bookkeeping on the survival of small businesses in the Kumba municipality in Uganda. The findings showed that most of the businesses in the study have an account clerk and record their transactions manually following the single-entry system. The study further pointed out the bookkeeping challenge. Negou (2018) confirmed that when sufficiently kept, bookkeeping significantly influences the survival of very small businesses in Kumba municipality.

The literature confirms the positive significant effect of bookkeeping on SME performance when it to done right and in a professional manner. It however points out the major role that lack of book keeping skills and personnel have on the SMEs and ultimately their performance.

### 3.0 METHODOLOGY

This study used a descriptive research design in order to describe the role of book keeping on quality performance of SMEs. Furthermore, cross-sectional research design was used for the study of the population

at one specific time and the difference between the individual groups within the population will be compared. It will enable to provide for the examination of the relationship between the study variables (Ogohi, 2018)

The area to be covered under this research was limited to small and medium enterprises registered and operating in Munuki Payam-Juba which is within the county of Juba. Which has a population of 403,000 and the targeted population for this was those who own and managed their own small and medium scale business within Munuki payam. The target population was 132 respondents of mainly Retail shop owners, cashiers in restaurants salons owners, carpenters, and supermarkets. Using sloven’s formula a sample of 99 respondents was considered in this research.

To achieve the objectives of this study, the questionnaire was used as the main instrument for the study. To achieve this, a five Likert scale is used, where 1 = strongly disagree; 2 = disagree, 3=not sure, 4 = agree; and 5=strongly agree. The questionnaire was divided into three sections, namely section A, B and C. Section A captures information about the profile of the respondents, that is, gender, age, education, and work experience. Section B captures information about book keeping, which is measured using; budgeting (7 items), decision making (7 items), and taxation (7 items). Section C captures information regarding quality Performance and is measured using, profitability (7 items), market share growth (7 items) and sales volume (7 items).

Cronbach Alpha was used to test reliability and the instruments scored: Bookkeeping (a=0.837) and SME Performance (a=0.711), and the content validity index (CVI) was 0.78. The data analysis was carried out at a univariate level (frequencies, means and standard deviation), bivariate (simple regression and correlations) and a multivariate level (multiple regression). The decision rule for the hypothesis testing was that  $p = 0.05$ , therefore if  $p \leq 0.05$ , then the null hypothesis was rejected, otherwise it was accepted.

## 4.0 RESULTS

### 4.1 Response rate

The researcher distributed 132 questionnaires but was able to retrieve only 99 questionnaires that were correctly filled and answered. This gave a retrieved rate of 95%; according to Kwizera *et al.*, (2019), if the response rate is more than 70%, this is enough to carry on and continue with data analysis.

### 4.2 Demographic characteristics of the respondents

SMEs considered in the study included Retail Shops (28), Saloons (21), Supermarkets (22), Carpentry (10), and Restaurant (18). Most of the respondent have been in the business for 6 to 10 years; Most of the respondents were male (50.5%), majority of the respondent were between the age range of 26 years to 40 (70.7%), 57% of the respondents were married; 51.5% of the respondents have attained at least a diploma.

### 4.3 Descriptive Statistics

**Table 4.1: Descriptive statistics for Book-keeping**

<b>BOOK KEEPING</b>	<b>Mean</b>	<b>Std</b>	<b>Interpretation</b>
<i>Budgeting</i>	3.491	1.409	Satisfactory
<i>Taxation</i>	3.647	1.327	Satisfactory
<i>Decision-making</i>	3.828	1.635	Satisfactory
<b>AVERAGE</b>	<b>3.66</b>	<b>4.371</b>	<b>Satisfactory</b>

Table 4.1 revealed that Budgeting as an element of Book-keeping was assessed by the respondents as satisfactory (average mean = 3.491, Std = 1.409), decision making as an element of booking keeping was assessed by the respondents as satisfactory

(average mean = 3.828, std=1.635), and Taxation as an element of book keeping was assessed by the respondents as satisfactory (average mean = 3.647, Std = 1.327).

**Table 4.2: Descriptive Statistics for SME Performance**

<b>SME PERFORMANCE</b>	<b>Mean</b>	<b>Std</b>	<b>Interpretation</b>
<i>Profitability</i>	4.186	1.447	Satisfactory
<i>Sales volume</i>	4.096	0.887	Satisfactory
<i>Market growth</i>	4.046	.906	Satisfactory
<b>TOTAL</b>	<b>4.11</b>	<b>3.24</b>	<b>Satisfactory</b>

Table 4.2 3 revealed that profitability as an element of on the quality of SMEs was assessed by the respondents as very satisfactory (total mean = 4.186, Std = 1.447), sales volume as an element of firm performance was assessed by the respondents as satisfactory (total mean =4.096, std=0.887), market

share growth was assessed by the respondents as satisfactory (average mean = 4.046, std = 0.906).

**4.4 Ho<sub>1</sub>: Budgeting has no significant effect on SME performance in Munuki Payam- Juba Central**

**Equatoria State, South Sudan.**

**Table 4.3: Budgeting on SME Performance**

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	76.472	3.627		21.084	.000
Budgeting	.224	.142	.158	1.573	.119
R Square	.025				
Adjusted R Square	.015				
F Statistic	2.47				
Sig.	.12				

Table 4.3 shows the summary of the findings. The dependent variable SME performance was regressed on predicting variable Budgeting to test the null hypothesis Ho<sub>1</sub>. Budgeting has no significant effect on SME performance,  $F(1, 97) = 2.47, p > 0.05$ . Thus, the null hypothesis is accepted and the alternate rejected. Therefore, Budgeting has no significant effect

on SME performance in Munuki Payam-Juba Central Equatoria State, South Sudan.

**4.5 Ho<sub>2</sub>: Taxation has no significant effect on SME performance in Munuki, Payam- Juba Central Equatoria State, South Sudan**

**Table 4.4: Taxation on SME Performance**

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(constant)	75.521	4.224		17.879	.000
Taxation	.252	.160	.157	1.567	.012
R Square	.025				
Adjusted R Square	.015				
F Statistic	3.46				
Sig.	.012				

The results presented on Table 4.4 revealed that taxation compliance significantly effects SME performance by causing a variance of 2.5% ( $R^2=0.025$ ). The study revealed that every unit change in tax compliance will significantly effect the variance in performance of SMEs by 25.2% (Beta = 0.252,  $p = 0.012$ ). This rejects the null hypothesis that states that tax compliance has no significant effect on SME performance. The alternate hypothesis is therefore, accepted, thus, tax compliance has a significant effect on SME performance. Furthermore, the analysis

revealed that the regression model was a fit for predicting the effect of tax compliance on SME performance of SMEs ( $F=3.457, P=0.012$ ) this is because ( $P=0.012$ ) is greater than (0.05) coefficient level.

**4.6 Ho<sub>3</sub>: Decision making has not significant effect on the quality performance of SMEs in Munuki Payam- Juba Central Equatoria State, South Sudan.**

**Table 4.5: Decision Making and SME Performance**

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(constant)	73.236	3.791		19.319	.000
Decision making	.325	.136	.235	2.384	.02
R Square	.055				
Adjusted R Square	.046				
F Statistic	5.68				
Sig.	0.02				

The results presented on table 4.5 revealed decision making significantly predicted SME performance,  $F(1, 97) = 5.68, p < 0.05$ , which indicates that the decision making can play a significant role in

shaping SME performance ( $B = .235, p < 0.05$ ). These results clearly direct the positive effect of the decision making. Moreover, the  $R^2 = .055$  depicts that the model explains 5.5% of the variance in SME performance.

Similarly, the study revealed that every unit change in decision making will significantly affect the variance in SME performance by 32.5% (Beta = 0.325, p = 0.019). On the basis of the finding, we reject the null hypothesis that stated ‘decision making has no significant effect on SME performance in Munuki

Payam-Juba Central Equatoria State, South Sudan’ and accept the alternate.

**4.7 Effect of Book Keeping on SME Performance in Munuki Payam-Juba Central Equatoria State, South Sudan.**

**Table 4.6: Book Keeping on SME Performance**

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(constant)	72.149	4.589		15.721	.000
Budget	.108	.247	.068	.437	.000
Taxation	-.047	.241	-.033	-2.193	.010
Decision making	.305	.178	.221	3.717	.000
R Square	0.947				
Adjusted R Square	0.946				
F Statistic	22.293				
Sig.	0.00				

Table 4.6 indicates that a multiple regression was run to predict SME Performance from budgeting, taxation and decision-making. These variables statistically significantly predicted SME Performance, F (1, 97) = 22.293, p < .05, R<sup>2</sup> = 0.947. All three variables added statistically significantly to the prediction, p < .05.

**5.0 DISCUSSION**

The first objective of this study was to ascertain the roles of budgeting and SME performance of SMEs in Munuki Payam. The study revealed that budgeting has no significantly affects firm performance. The null hypothesis that stated that budget has no significant effect on SME performance accepted and the alternative hypothesis rejected. This contradicts most of the findings in literature. However, this finding could be explained by the fact that budgeting was attributed to the fact that some SMEs do aspect of planning, execute, control, and implement planned activities to some extent (Schubert & Kirsten, 2021; Tuan & Rajagopal, 2022). This might not necessarily be the case in the respondents of this study. The is confirmed by Ministry of Commerce, Trade and Industry (2016), emphasising the poor level of book keeping of which in this study budgeting comes under. Abongo, (2017), agreed that, budget planning, budget control, budget coordination, budget communication, and budgetary evaluation processes have equal importance to a great extent. Mulani, Chi, & Yang, (2015), contented that, SMEs working with unclear goals are faced with higher uncertainty in relation to goal achievement, while clear goals reduce uncertainties in the budgeting process, which, in turn, will improve performance of enterprises. When there is clarity on the tasks and goals it promotes a positive vibe throughout the organization. The formal budgeting process has a positive impact on the performances when it is done professionally and well

planned (Chepngetich, 2016; Schubert & Kirsten (2021).

The second objective of this study was to investigate the effect of tax compliance SME performance in Munuki Payam. The null hypothesis that there is no significant effect of taxation on SME performance was rejected and the alternative hypothesis was maintained. Nyaga, (2019), agreed that whether public or privately owned businesses, revenue growth are well explained by the changes in tax administration reforms, enforcement, and hire of qualified personnel to handle books of accounts thus, producing financial statements for other users. The absence of these spelling trouble for the SMEs. This sentiment of the finding is agreed with by several authors (Adebisi & Gbegi, 2013; Ameyaw *et al.*, 2016; Matarirano, Makina & Chiloane-Tsoka, 2019), however they echoed the negative effect of taxation on small businesses and SMEs due to the fact that it tends to impede their performance due to several factor, such as being too high, requiring extra costs (e.g., bribes), double taxation and being complicated for them to understand among others. This was suggest by the multiple regression (Table 4.4) which indicated a negative effect.

The third objective of this study was to examine how decision-making effect SME performance in Munuki Payam. The null hypothesis that there is no significant effect of decision making on SME performance was rejected and the alternative hypothesis supported. Haung, (2017), agreed that ownership affects the level of political activities by SMEs. He found out that, several privately owned SMEs had created a position of party secretary to help develop their organizational culture and manage human resources. While the length of time for making a strategic decision was shorter in the private SMEs than their State-owned counterpart (Haung, 2017). Jokhu *et al.*, (2019)

conjured and demonstrate that straightforward decision process of the bidding price, project location, and environmental conditions influences the performance of SMEs. Several studies (Manolopoulos *et al.*, 2022; Obi and Agwu, 2017; Bags *et al.*, 2021) reviewed also attest to the fact that the pattern of quality, nature and types of decision making having a positive effect of SME performance when done professionally, collaboratively and in good faith.

## 6.0 CONCLUSION AND RECOMMENDATION

The study concluded that book keeping significantly effects SME performance. In other words, book keeping in terms budgeting, decision making, and taxation have reflective effect on SME performance and therefore, more attention should be geared towards the implementations of these variables. To ensure that the role of book keeping enhances quality of SME performance in Munuki Payam, the study makes the following recommendations:

1. The study recommends that Chamber of Commerce in collaboration with the Ministry of Commerce and Trade should offer trainings to SMEs since budgeting contributes more to the increase SME performance.
2. SMEs should be encouraged to improve staff recruitment process, personnel training, HR development and compensation and rewards which is a viable solution for increasing the productivity of tax collection in Munuki Payam.
3. Ministry of Finance & Planning and South Sudan National Revenue Authority should organize accounting and taxation training programmes for owner-managers of SMEs on proper bookkeeping and accounting practices in the country. Efficiency in budgeting process, execution and control, coordination and communication with other stakeholders improves and upgrades to suit SMEs, Government and the citizen.
4. The authorities should further consider reducing the taxation levied on SMEs, especially the smaller and start-up. This will allow them time to grow and gain traction as a business in order to provide taxes in the future in a more sustainable and consistent manner.

The study recommends that future research should be directed towards validating the results of this study by conducting similar research in another Payam-County or State in the country. That said, this study has provided for further study in the area of book keeping as being influenced by quality of SME performance and has also hearkened to (Ahuja, 2009; Nyaga, 2019).

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