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Impact of Automated Accounting Systems on Daily Transaction Management and Firm Performance in Small and Medium Enterprises in Delta State, Nigeria

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Abstract

The increasing complexity of business operations in contemporary markets has compelled small and medium enterprises (SMEs) in Nigeria to adopt innovative tools for managing financial records. Automated accounting systems (AAS) have emerged as one of the key technological solutions that enhance efficiency in daily transaction management, reduce human errors, and improve overall firm performance. This study investigates the impact of automated accounting systems on the daily transaction management and performance of SMEs in Delta State, Nigeria. A descriptive survey research design was adopted, and data were collected through structured questionnaires distributed to 400 SME operators across major cities in Delta State. The study applied independent sample t-tests to test hypotheses regarding the effectiveness of AAS on transaction accuracy and firm profitability. Results revealed that SMEs using AAS experienced significantly higher efficiency in transaction management and improved financial performance compared to those relying on manual systems. The study concludes that automation is a critical enabler of sustainable growth for SMEs. It recommends increased adoption of AAS, capacity-building programs for operators, and policy support to integrate affordable accounting technologies for SMEs in Nigeria.

Keywords: *Automated Accounting Systems, Daily Transaction Management, Small and Medium Enterprises.*

INTRODUCTION

The role of small and medium enterprises (SMEs) in fostering economic growth and employment generation in Nigeria cannot be overstated. SMEs contribute significantly to the country's Gross Domestic Product (GDP), provide a source of livelihood for millions of Nigerians, and drive innovation at the grassroots level (Ariyo, 2019). However, their growth and sustainability are often hampered by inadequate financial management practices, weak internal controls, and a lack of access to modern accounting systems (Nwankwo & Akinola, 2020). Traditionally, many SMEs in Nigeria have relied on manual bookkeeping for recording transactions, preparing financial statements, and monitoring cash flow. While this method is cost-effective in the short term, it is prone to human error, data loss, inefficiency, and fraud (Okoye & Ofoegbu, 2017). The advent of automated accounting systems (AAS) such as QuickBooks, Sage, Tally, and Xero presents opportunities for SMEs to overcome these challenges. AAS integrates digital tools for real-time recording, processing, and reporting of business transactions, thereby ensuring accuracy, timeliness, and reliability of financial information.

The operation of accounting systems, particularly in payroll preparation, is fundamental across various industries. Businesses are required to maintain accurate and well-organized financial records, and the integration of software has significantly improved the efficiency, accuracy, and compliance of these processes. The adoption of accounting automation systems has become increasingly vital; organizations that fail to implement these systems risk lower productivity and operational efficiency (Fisher, 2023).

Automated systems streamline transition processes, enabling SMEs operators to complete complex tasks efficiently and accurately, regardless of their volume or complexity. These systems enhance financial oversight, reduce manual errors, and improve responsiveness to critical financial matters (Spenmo Team, 2022). Automation involves the use of electronic and mechanical devices to perform administrative functions of the business, reducing human error and time consumption. Office automation tools include devices such as photocopiers, computers, scanners, word processors, and duplicating machines. These devices facilitate communication and improve workflow between administrative personnel and system users (Koko, 2014).

Several factors influence the successful implementation of an automated accounting system. According to Koko (2014), these include workload volume, equipment costs, maintenance requirements, space availability, output quality, and personnel expertise. Accounting is a core responsibility of

financial professionals, involving the collection and recording of information related to a business's financial position. It comprises external and internal accounting. External accounting, regulated by law, provides stakeholders with insights into a company's financial status. Internal accounting, on the other hand, supports internal stakeholders by delivering detailed operational and financial analysis (Visma, 2018).

An automated accounting system leverages software to manage key financial functions such as account reconciliation, financial reporting, and payroll. While automation does not eliminate human involvement, it reduces manual workloads, allowing accountants to focus on strategic, high-value activities (Fisher, 2023). Technological advancements such as computer accounting software and Robotic Process Automation (RPA) have significantly enhanced the capabilities of modern accounting systems. Automation tools equipped with artificial intelligence (AI) support data tracking, reduce repetitive tasks like data entry, and enable real-time financial management. Ultimately, automation fosters strategic decision-making by minimizing manual effort and enhancing data accuracy (Fisher, 2023).

In Delta State, where SMEs span across oil-servicing industries, agribusiness, hospitality, and retail trade, the adoption of AAS is gradually gaining momentum. However, the extent to which these systems impact daily transaction management and firm performance remains underexplored in academic literature. This study seeks to fill this gap by empirically evaluating the impact of AAS on SMEs' efficiency in transaction management and their overall financial performance.

LITERATURE REVIEW

Automated Accounting Systems (AAS)

Automated accounting systems are computerized applications designed to record, process, and store financial information with minimal human intervention. They offer features such as payroll management, invoicing, tax computation, inventory control, and financial reporting (Al-Shammari, 2018). Accounting is often described as the "language of business" because it provides critical financial information necessary for decision-making, control, and strategic planning. Traditionally, accounting practices were carried out manually using ledgers and physical records, but with advancements in information technology, computerized or automated accounting systems (AAS) have emerged as powerful tools for enhancing efficiency, accuracy, and timeliness in financial management. AAS are particularly relevant for organizations that handle large volumes of transactions, such as small and medium enterprises (SMEs), which require accurate recordkeeping to remain competitive. This literature review synthesizes theoretical, conceptual, and empirical contributions to the understanding of AAS, highlighting their definition, components, benefits, challenges, and adoption trends.

Automated accounting systems are computer-based applications designed to capture, process, and store financial data electronically. Al-Shammari (2018) defines AAS as "integrated software solutions that manage all accounting processes, from recording daily transactions to preparing complex financial reports, with minimal human intervention." Examples include QuickBooks, Sage, Xero, Tally ERP, and Peachtree, which have become popular across different organizational contexts. These systems automate repetitive accounting tasks such as journal entries, invoicing, payroll, tax computations, and inventory management (Oyedele, 2021). The core purpose of AAS is to enhance efficiency by reducing reliance on manual calculations and documentation. According to Eze and Ogbonna (2021), AAS serve as "backbones of financial management systems" because they integrate accounting functions with decision-support capabilities, thereby enabling managers to access real-time data. AAS typically comprises several modules tailored to specific accounting tasks:

1. General Ledger: This forms the central repository of all financial transactions and serves as the basis for preparing financial statements.
2. Accounts Receivable and Payable: These modules track incoming and outgoing payments, ensuring effective credit and cash management.
3. Payroll: Automates employee wage calculations, tax deductions, and benefits administration.
4. Inventory Management: Monitors stock levels, reorder points, and valuation methods such as FIFO and LIFO.
5. Reporting and Analytics: Provides real-time financial reports, including profit and loss statements, balance sheets, and cash flow reports (Okoye & Ofoegbu, 2017).

These features not only reduce clerical workload but also integrate data across functions, thereby improving transparency and accountability.

Benefits of Automated Accounting Systems

Empirical studies have documented the positive impacts of AAS adoption across different sectors.

1. Accuracy and Reliability: Automated systems minimize errors associated with manual bookkeeping. Oyedele (2021) found that SMEs in Lagos using QuickBooks recorded fewer discrepancies in financial reports compared to those using manual ledgers.
2. Efficiency in Daily Transactions: By automating routine tasks, AAS significantly reduces the time required to process financial data. Eze and Ogbonna (2021) argue that transaction processing speed is one of the most valued benefits for SMEs with limited staff.
3. Enhanced Decision-Making: AAS provides real-time access to financial information, enabling managers to make timely and informed decisions. Adusei (2018), in a study of Ghanaian SMEs, revealed that managers using AAS were able to adjust pricing strategies based on up-to-date financial reports.
4. Cost Savings: While initial implementation may be costly, long-term savings are realized through reduced labor costs, improved tax compliance, and minimized losses due to fraud or errors (Okereke, 2019).
5. Scalability and Growth: AAS can grow with the business, allowing SMEs to expand operations without overhauling their financial systems (Adebayo, 2019).

Daily Transaction Management

This refers to the systematic recording and monitoring of day-to-day financial activities, including sales, purchases, payments, and receipts. Efficient transaction management ensures transparency, reduces errors, and provides accurate data for decision-making (Eze & Ogbonna, 2021). Daily transaction management (DTM) represents the set of financial and operational processes that enable organizations, particularly small and medium enterprises (SMEs), to record, monitor, and analyze their routine business transactions. These transactions include cash inflows and outflows, sales, purchases, payroll, invoicing, and inventory management. Effective daily transaction management ensures accuracy in record-keeping, financial transparency, and operational efficiency, which are crucial for sustaining firm performance (Adebayo, 2020). In the dynamic business environment of Nigeria and other developing economies, SMEs face heightened pressure to adopt systematic approaches to managing daily transactions due to increasing competition, digitalization, and the demand for accountability.

Daily transaction management refers to the systematic handling of an organization's day-to-day financial activities to provide reliable information for decision-making and compliance (Osuala, 2019). Transactions may be monetary (e.g., payments, receipts, sales) or non-monetary (e.g., inventory adjustments). DTM emphasizes accuracy, timeliness, and proper documentation of these activities. According to Al-Shammari (2018), transaction management involves the process of recording business exchanges and ensuring they are properly classified in accounting records. In SMEs, DTM not only supports financial reporting but also assists in operational control by providing insights into cash flow and resource allocation. The concept is linked to bookkeeping and accounting, but it goes beyond recording to include monitoring, analysis, and compliance functions.

SMEs form the backbone of most economies, including Nigeria's, where they contribute significantly to employment and GDP (NBS, 2020). However, SMEs often face challenges in managing daily transactions due to limited resources, a lack of skilled personnel, and inadequate adoption of digital tools. Okoye and Ofoegbu (2017) note that many Nigerian SMEs still rely on manual methods such as handwritten ledgers, which are prone to errors and manipulation. Automated tools and accounting software have increasingly been adopted to improve efficiency, but cost and technical know-how remain barriers. Effective DTM in SMEs is therefore essential for improving financial control, accessing credit, and ensuring compliance with regulatory bodies such as the Federal Inland Revenue Service (FIRS). DTM covers a wide range of activities. Key components include:

1. Sales and Revenue Recording: This involves documenting daily sales, either in cash or credit. Proper recording ensures accurate revenue recognition (Oyedele, 2021).

2. Purchases and Expenses Tracking: Monitoring daily purchases and expenditures helps firms assess cost structures and profitability.
3. Cash Flow Management: Maintaining cash books and reconciling bank accounts ensures liquidity control.
4. Payroll and Employee Expenses: Accurate recording of staff wages, allowances, and deductions is vital for compliance and worker trust (Afrin & Sarker, 2025; Eze & Ogbonna, 2021).
5. Inventory Transactions: SMEs engaged in trading or manufacturing need to monitor stock inflows, outflows, and valuations daily (Adebayo, 2020).
6. Debt and Credit Monitoring: Managing accounts receivable and payable ensures firms avoid liquidity problems caused by unpaid debts or delayed payments.

Daily transaction management plays a pivotal role in sustaining SMEs by ensuring accurate record-keeping, supporting financial transparency, and enhancing decision-making. Theoretical perspectives highlight its role in reducing agency problems and enhancing stewardship. Empirical evidence consistently shows a positive link between structured DTM and firm performance. However, adoption challenges remain, especially in developing economies like Nigeria. Addressing these barriers through capacity building, affordable technology, and supportive infrastructure will enable SMEs to leverage DTM more effectively for growth and competitiveness. Prior studies have shown positive correlations between automation and firm performance. Nwankwo and Akinola (2020) found that SMEs using AAS reported better cash flow management and reduced fraud. Similarly, Oyedele (2021) established that automated systems improved financial decision-making in Lagos-based SMEs. In Ghana, Adusei (2018) reported that AAS adoption enhanced tax compliance and reduced administrative costs. However, some studies caution that the high cost of acquisition and limited ICT skills among SME operators pose significant barriers to adoption (Okereke, 2019).

Firm Performance

Firm performance is a multidimensional concept encompassing profitability, growth, operational efficiency, and competitiveness. In SMEs, performance is often measured through sales growth, return on investment, and ability to meet financial obligations (Adebayo, 2019). According to Frolick, Thilini, and Ariyachandra (2012), business performance entails the combination of management and analytical processes that allows managers of an organisation to achieve pre-determined goals. Business performance of organisations is all about focusing on investigating all organisational functions at high and low levels of activity to ensure they are adequately performing as expected (Mann & Kehoe, 2009).

Organisations in a market economy experience frequent and numerous changes in almost every business area, which bring radical changes in the internal and external business environment, and contribute to their poor performance in their business transactions (Kaplan & Norton, 2010). The environmental changes require a turn in business management philosophy, which is focused on redirecting the strategies of traditional instruments in order to achieve better performance using some business performance measurements (Slater, Olson, and Reddy, 2012).

Business performance measurement is seen to have three main activities: selection of goals, consolidation of measurement information relevant to the organisation's achievement of these goals, and interventions made by managers in light of this information. The business performance management looks beyond different divisions that the business possesses but focuses on aligning the strategic and operational objectives of the company in order to achieve better performance by ensuring the set organisational goals and objectives are met in a timely. In most unstable business environments, successful businesses have to continually adapt their competitive strategy, which, among other things, means developing systems of controlling and performance evaluation that will enable faster and adequate clues to the business function to attract more business success for the organisation (Maskell, 2012).

Considering the economic situation of the present economy in Nigeria presently, requirements for improving methods and instruments of business performance measurement have become more expressive. Namely, business performance measurement has been affirmed as a dominant control activity of an enterprise that identifies the key market and structural factors of its business success (Maskell, 2012). The implication is that adequate performance measurement has to satisfy different information requirements as well as to reflect success in using

material and non-material resources of the enterprise. Improving performance means redefining the traditional methods of their measurement (Maskell, 2012). To develop and affirm a strategic approach to performance measurement, which, more or less, includes some different integral strategic performance measurement (Slater, Olson, and Reddy, 2012).

The essence of strategic business performance measurement is to handle the following things: (1)evaluate value that the enterprise expects from its stakeholders and value that each group of stakeholders expect from the organisation which can be done, (2)monitoring process efficiency, defining the standards of minimal level of performance and level of target performance, (4) focusing on performance drivers and the factors of current profitability, (5) and suggesting measures for improving financial performance (Atkinson, Waterhouse and Wells, 2009). The major concern of a strategic performance measurement system is in defining the primary measures focused on results and the secondary measures directed towards primary result drivers.

The business managers are always responsible for developing a rational process that is responsible for determining the key performance measures of the company. The use of system analysis provides such a rational process to be integrated into the performance system. Some of the notable indicators used in measuring business performance are profit, return on investment (ROI), turnover or number of customers (Wood, 2006), design quality, and product improvement (Laura, Shawnee, and Cornelia, 2009). The measurement of business performance could be through the business performance measurement (BPM) system, as it is an important tool within many research areas, particularly in business and social science studies. This system analyses and investigates each quality that affects a firm's business performance, categorizing business performance into two broad areas: operational business performance and strategic business performance (Mann and Kehoe 2009). Some of the sub-variables, mostly identified as indicators of business performance in line with the study objectives, were sales growth, market share, profitability, and working capital, and they were explained briefly below.

Scale Growth: Sales growth, according to Penrose (2010), "The term sales growth is used in ordinary discourse with two different connotations. It sometimes denotes merely an increase in amount; for example, when one speaks of 'growth' in output, export, and sales. At other times, however, it is used in its primary meaning, implying an increase in size or improvement in quality as a result of a process of development, akin to natural biological processes in which an interacting series of internal changes leads to increases in size accompanied by changes in the characteristics of the growing object. Sales growth is perceived as remaining in a multi-faceted phenomenon and in a research carried out by Delmar, Davidsson and Gartner (2013) on heterogeneity regarding what specific measure the firm grows and its regards for the appropriateness of different measures relative to specific theories, the study found and concluded that organizational sales growth is a multidimensional phenomenon which brings about different forms of growth which comes with its different determined effects. It invariably implies that they may also be in need of different theoretical explanations (Davidsson & Wiklund, 2000).

Market Share: The total percentage of a market (defined either in units or revenue) accounted for by a particular organisation is known as market share. A survey was carried out among 200 senior marketing managers by Farris, Neil, Phillip, and David (2010), and result shows that 67% of the respondents affirmed that the "dollar market share" metric was very useful to them, while 61% found that "unit market share" was very useful to them. In other words, marketers need the skills to enable them translate and incorporate sales targets into market share since it has the power to ascertain if forecasts are to be maintained by growing with the market or by capturing share from competitors. Hence, market share is closely monitored for signs of change in the competitive landscape, and it frequently drives strategic or tactical action (Farris, Neil, Phillip, and David, 2010).

Increase Patronage: In the context of marketing, patronage is an exchange process where one receives a service or goods in exchange for money or other considerations. Customer patronage is, therefore, the purchase of goods and services from a vendor by a customer or a business. The customer purchases and expects to derive benefits or satisfaction from the goods or services as consideration for the exchange of money paid. According to Anderson and Sullivan (1993), customer expectations of satisfaction lead to an increase in tendencies to purchase a particular brand. They reiterated that firms that provide high-quality

products and services regularly will have more satisfied customers, and these customers will likely re-patronize the service and products next time.

Customer Loyalty: Contextually, loyalty is a behaviour of likeness of something that consumers may exhibit to show preference to brands, services, stores, product categories, and activities. Marketing literature has shown a myriad of definitions of customer loyalty. A few examples that suggest consensus of opinion, given their agreement with the attitudinal and psychological position of the concept, will suffice here. Jacoby & Chestnut (1978) definition holds that customer loyalty is a biased behavioral response that is expressed over time by some individuals with respect to one or more alternatives out of a set of alternatives. This is indicative that customer loyalty is a psychological process.

Profitability: The term profitability has two words, namely, profit and ability. By profit, it means income generation, and the term ability indicates the power of an organisation to earn profits. Profitability is defined as the ability of a given investment to earn a return from its use. Profitability is a relative concept, whereas profit is an absolute concept (Nimalathasan, 2009). Profit in accounting itself deals with the long-term objective, which measures not only the success of the product, but also of the development of the market for it. Firm determine profitability by matching its revenue against cost associated with it. According to Albrecht (2011), profitability is often determined when those costs are placed against revenue, which have contribution in the generation of such revenue. Organisations should earn profits to survive and grow over a long period of time to remain relevant in the marketplace.

Theoretical Review

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a leading framework for explaining and predicting technology adoption. Proposed by Davis (1986) and refined by Davis, Bagozzi, and Warshaw (1989), it is derived from the Theory of Reasoned Action (TRA) by Fishbein and Ajzen (1975). TAM emphasizes two key factors: perceived usefulness (PU), the extent to which users believe a system improves performance, and perceived ease of use (PEOU), the degree to which users believe the system is effortless. These perceptions shape users' attitudes, behavioral intentions, and ultimately, actual system usage. Over time, TAM has been extended. TAM2 (Venkatesh & Davis, 2000) added social influences (like subjective norms and image) and job relevance, while UTAUT (Venkatesh et al., 2003) integrated constructs from multiple models, such as performance expectancy, effort expectancy, social influence, and facilitating conditions. Despite these refinements, TAM remains popular due to its simplicity and explanatory strength. TAM has been widely applied in workplaces, education, healthcare, banking, and SMEs. Studies confirm its robustness across contexts. For example, Igbaria et al. (1997) showed PU and PEOU as strong predictors of computer adoption in small firms. In Nigeria, Okoye and Ezejiofor (2013) found PU more influential than PEOU in SMEs' adoption of accounting systems, showing that businesses prioritize perceived benefits such as efficiency and compliance over ease of use.

Key Constructs

1. Perceived Usefulness (PU): Drives intention to use when efficiency gains are visible (Davis, 1989).
2. Perceived Ease of Use (PEOU): Reduces barriers, especially in low-tech literacy settings (Gefen & Straub, 2000).
3. Attitude Toward Use: Affective evaluation of using the system, though later versions downplay this factor.
4. Behavioral Intention: The strongest predictor of actual use.

TAM has been criticized for oversimplifying technology adoption by ignoring contextual and organizational factors (Benbasat & Barki, 2007). It also relies on self-reported perceptions rather than actual usage. To address these gaps, later models like TAM3 and UTAUT incorporated additional variables such as trust, culture, and facilitating conditions (Bagozzi, 2007). For SMEs in Delta State and similar environments, TAM is valuable for understanding the adoption of automated accounting systems and digital tools. Limited resources and technological literacy make PU and PEOU critical factors. Evidence shows SMEs adopt systems more when benefits such as improved recordkeeping and financial control are clear (Adebiyi et al., 2019). Thus, TAM guides both policymakers and developers in designing user-friendly technologies and training programs to enhance adoption. TAM remains a foundational model for understanding technology adoption. Its constructs PU and PEOU are consistently relevant across contexts. For Nigerian SMEs, applying TAM helps explain the

adoption of automated accounting systems and informs strategies to improve digital uptake. While it has limitations, TAM's simplicity ensures it continues to be widely used in research and practice.

Statement of the Problem

Despite the critical role of SMEs in Delta State's economy, many still rely on manual accounting systems that are error-prone and time-consuming. This often results in poor financial reporting, loss of customer confidence, limited access to credit facilities, and reduced profitability. Although automated accounting systems provide solutions, empirical evidence on their effectiveness within the specific context of Delta State SMEs remains limited. Without concrete data, policymakers and business owners cannot make informed decisions about investing in such technologies. This research, therefore, seeks to bridge this knowledge gap by assessing how automated accounting systems influence daily transaction management and firm performance.

Objectives of the Study

1. To examine the extent of adoption of automated accounting systems among SMEs in Delta State.
2. To determine the impact of automated accounting systems on daily transaction management in SMEs.
3. To evaluate the effect of automated accounting systems on the performance of SMEs.
4. To test the relationship between AAS adoption and firm performance indicators such as profitability and efficiency.

Hypotheses

The following hypotheses were formulated for testing:

H01: Automated accounting systems have no significant impact on the daily transaction management of SMEs in Delta State.

H02: Automated accounting systems have no significant impact on the firm performance of SMEs in Delta State.

METHODS

Research Design: This study adopted a descriptive survey research design, which is suitable for capturing opinions, attitudes, and practices of respondents regarding automated accounting systems. *Population of the Study*: The population consisted of registered SMEs in Delta State operating in sectors such as retail trade, hospitality, agriculture, and oil services. According to the Delta State Ministry of Commerce and Industry (2024), there are approximately 2,000 registered SMEs. *Sample Size and Sampling Technique*: Using Krejcie and Morgan's (1970) sample size determination table, a sample of 400 SMEs was selected. Stratified random sampling ensured representation across sectors and geographic locations in Delta State.

Data Collection Instrument: A structured questionnaire was designed, divided into three sections: demographic information, adoption of automated accounting systems, and performance indicators. A five-point Likert scale (Strongly Agree to Strongly Disagree) was used. *Validity and Reliability*: Content validity was ensured through expert review by accounting scholars. Reliability was tested using Cronbach's Alpha, which produced a coefficient of 0.82, indicating high reliability. *Method of Data Analysis*: Data were analyzed using descriptive statistics (mean, standard deviation) and inferential statistics (t-test). Hypotheses were tested at a 0.05 significance level.

RESULTS AND DISCUSSION

Descriptive Results for Enterprise and Personal Characteristics

The enterprise and personal characteristics collected included the business nature of the enterprise, age of the enterprise, number of employees, current value of assets, gender, age, educational qualification, and number of years in the enterprises discussed as follows:

Descriptive Results for Enterprise Characteristics

This section focuses on the analysis of Enterprise Characteristics. The variables considered included the business nature of the enterprise, age of the enterprise, number of employees, and current value of assets. Table 1 presents the information.

Table 1. Descriptive Analysis of Enterprise Characteristics

Characteristics	Variables	Frequency	Percentage %
Business Nature of the enterprise	Manufacturing	0	0.0%
	Construction	1	0.3%
	Processing	1	0.3%
	Services	395	99.5%
	Others	0	0.0%
Age of the enterprise	5-8 years	286	72.0%
	9-12 years	111	28.0%
	13 years and Above	0	0.0%
Number of Employees	LESS THAN 5	4	1.0%
	5 and above	255	64.2%
	10 and above	136	34.3%
	20 and above	2	0.5%
	30 and above	0	0.0%
	0 and above	0	0.0%
Current Value of Assets	#500,000 or less	2	0.5%
	#1 million or less	391	98.5%
	#1.5 million or less	4	1.0%
	#2 million or less	0	0.0%

Source: Field Survey, 2025

Table 1 shows descriptive analysis of enterprise characteristics. The figures in Table 1, as regards the business nature of the enterprise, 1 respondent representing 0.3% was in construction, 1 respondent representing 0.3% were in processing, and 395 respondents representing 99.5% were in services. The respondent results show that the majority of the SMEs are into services (99.5%). As regards the age of the enterprise, 286 respondents representing 72% were in the enterprise for 5-8 years, while 111 respondents representing 28% has been operating for 9-12 years. From the results obtained on enterprise age, it shows that the majority of SMEs studied have been operating for 5-8 years (72%). As regards the number of employees, 4 respondents representing 1% acknowledged that the number of employees is less than 5, 255 respondents representing 64.2% agreed that it is between 5 and above, 136 respondents representing 34.3% accepted that it is between 10 and above, while 2 respondents representing 0.5% admitted that it is 10 and above. The result obtained on the number of employees shows that most of the SMEs have between 15 and above employees (64.2%). As regards the current value of Assets, 2 respondents representing 0.5% admitted that there is #500,000 or less, 391 respondents representing 98.5% accepted that it is #1 million or less, while 4 respondents representing 1% agreed that it is #1.5 million or less. The result obtained shows that most of the SMEs' current value of assets is #1 million or less (98.5%).

Descriptive Results for Personal Characteristics

This section focuses on the descriptive analysis of personal characteristics. The variables considered here included gender, age of the enterprise, number of employees, and current value of assets. Table 2 presents the information.

Table 2. Descriptive Analysis of Personal Characteristics

Characteristics	Variables	Frequencies	Percentage %
Gender	Male	373	94.0%
	Female	20	5.0%
	3	3	0.8%
	4	1	0.3%
Age	21-30 years	19	4.8%
	31-40 years	326	82.1%
	41-50 years	52	13.1%
	51-60 years	0	0.0%
	61 years and above	0	0.0%
Educational Qualification	O/L	3	0.8%
	ND	2	0.5%
	HND/BA/B.Sc	363	91.4%
	MA/M.Sc	29	7.3%
	M.Phil/PhD	0	0.0%
	Others	0	0.0%
Number of Years in the Enterprises	1-5 years	380	95.7%
	6-10 years	15	3.8%
	11 and Above years	2	0.5%

Source: Field Survey, 2025

The data in Table 2 indicate that 373 respondents, representing 94% that are male and 20 respondents representing 5.0% were female. The result obtained shows that most of the SMEs' owners/managers are male (94%). As regards the age of respondents, 19 respondents representing 4.8% were between 21-30 years, 326 respondents representing 82.1% were between 31-40 years, while 52 respondents representing 13.1% were between 41-50 years. The result obtained shows that the majority of the SMEs owners/managers are between the ages of 21-30 years (82.1%).

As regards educational qualification, 3 respondents representing 0.8% had O/L, 2 respondents representing 0.5% had ND, and 363 respondents representing 91.4% had HND/BA/B.Sc, while 29 respondents representing 7.3% had MA/M.Sc. The result obtained shows that the majority of the SMEs had HND/BA/B.Sc educational qualification (91.4%). As regards the number of years in the enterprise, 380 respondents representing 95.7% had been in the enterprise between 1-5 years, 15 respondents representing 3.8% were there for 6-10 years, while 2 respondents representing 0.5% were there for 11 years and above. The result obtained shows that most of the SMEs owners/managers have been in the enterprise between 1-5 years (95.7%).

Hypothesis One

H01: Automated accounting systems have no significant impact on the daily transaction management of SMEs in Delta State.

Variable	N	Mean	SD	t	df	Sig. (2-tailed)	Decision
SMEs using AAS	250	3.85	0.62	5.214	398	0.000	Reject H0
SMEs using a manual system	150	3.40	0.70				

The mean score of SMEs using AAS (3.85) was significantly higher than those using manual systems (3.40). The t-value of 5.214 at $p < 0.05$ indicates that AAS significantly improves daily transaction management. Thus, H01 is rejected.

Hypothesis Two

H02: Automated accounting systems have no significant impact on the firm performance of SMEs in Delta State.

Variable	N	Mean	SD	t	df	Sig. (2-tailed)	Decision
SMEs using AAS	250	4.02	0.55	6.102	398	0.000	Reject H0
SMEs using a manual system	150	3.50	0.68				

SMEs using AAS recorded a mean performance score of 4.02, compared to 3.50 for those using manual systems. The significant t-value (6.102, $p < 0.05$) suggests that AAS adoption enhances firm performance. Hence, H02 is rejected.

Discussion of Findings

The findings reveal that SMEs using automated accounting systems in Delta State enjoy significant advantages in daily transaction management and firm performance. The result supports earlier studies by Nwankwo and Akinola (2020), who found that automation improves transaction accuracy and reduces fraud in Nigerian SMEs. Similarly, the results align with Adusei's (2018) study in Ghana, which concluded that automation enhances operational efficiency and compliance.

The rejection of both hypotheses indicates that the adoption of AAS directly contributes to improved business processes. This can be attributed to the ability of AAS to provide real-time data, reduce manual errors, and enhance decision-making capacity. The improved firm performance suggests that SMEs using AAS can achieve greater profitability, competitiveness, and sustainability in the long term. However, the findings also highlight challenges such as high implementation costs and a lack of ICT skills among some SME operators, which echoes Okereke's (2019) observations. These barriers must be addressed to achieve widespread adoption.

CONCLUSION

This study concludes that automated accounting systems play a crucial role in enhancing daily transaction management and firm performance of SMEs in Delta State, Nigeria. SMEs that adopt AAS experience better financial accuracy, efficiency, and profitability compared to those relying on manual systems. The study affirms that AAS adoption is not just a luxury but a necessity for SMEs seeking competitiveness in today's digital economy.

Recommendations

1. SME operators in Delta State should embrace automated accounting systems to enhance efficiency and profitability.
2. Government and business associations should provide training programs to build ICT competence among SME owners.
3. Policymakers should subsidize the cost of AAS adoption through tax incentives or grants to encourage widespread use.
4. Software developers should design simplified, affordable, and user-friendly AAS tailored for Nigerian SMEs.
5. Further studies should explore sector-specific impacts of AAS to provide deeper insights into adoption barriers and solutions.

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