

An Analysis of Bookkeeping Practises of Micro-Entrepreneurs in the Retail Clothing Industry in Cape Town, South Africa

Nyathi M* and Benedict OH

Faculty of Business and Management Sciences, Cape Peninsula University of Technology, South Africa

Abstract

Bookkeeping is regarded as a day-to-day function of a business operation in tracking cash inflows and cash out flows. Micro-entrepreneurs emanate from a wide range of disciplines with or without bookkeeping knowledge; however, bookkeeping execution is inevitable in operating a sustainable business. The purpose of this paper was to analyse micro-entrepreneurs' bookkeeping practises within the retail clothing industry in Cape Town. Data were collected by means of questionnaires under positivism approach. The sample size was n=62. The Statistical Package for Social Sciences (SPSS) was used to quantify and analyse data collected. The findings showed that most micro-entrepreneurs do practise bookkeeping manually, but do not complete the bookkeeping cycle. Worryingly was that that most micro-entrepreneurs indicated that decision making is based on maintained financial records. This translates to unsustainable poor decision-making emanating from incomplete bookkeeping records which may ultimately result in business failure. To this effect, it was recommended that micro-entrepreneurs' should engage on complete bookkeeping practises so that business decisions are based on accurate financial records hence insightful quality business decision outcome towards business success.

Keywords: Bookkeeping practises; Micro-entrepreneurs; Retail clothing industry; Cape Town

Introduction

Micro-entrepreneurs' business success has been recognised as essential for economic growth and poverty eradication. Micro-entrepreneurs contribute towards economic growth and poverty eradication through self-employment, job creation and wealth creation and promote the general welfare of the citizens [1-4]. However, previous studies have shown a worrying small business' failure as a result of insufficient entrepreneurial skills [5-7]. To achieve a successful micro-enterprise business operation, sound bookkeeping practises are regarded as the most essential entrepreneurial skill requirement [8-12]. Bookkeeping practising is one of the inevitable duties which micro-entrepreneurs should execute in order to determine the business' performance and profitability [1,8,10,13,14]. In this paper, a particular attention is devoted on analyzing bookkeeping practises of micro-entrepreneurs within the retail clothing industry. Businesses operate for the purpose of making profits; small businesses usually for the purpose of survival. Hence the monitoring and measurement of this expectation lies in the accountability of the business.

The remaining part of the paper proceeds as follows; theoretical perspective based on expectancy theory in relation to bookkeeping practices, then literature review on bookkeeping and micro-entrepreneurs' records followed by the research methodology undertaken for this study. Subsequently, the findings are presented and discussed. Finally, the paper is ended with conclusion and recommendations.

Theoretical perspective expectancy theory

The expectancy theory refers to a set of decision theories of work motivation and performance based on valence, instrumentality and expectancy (VIE) model [15]. The expectancy theory states that the levels of effort of an individual to perform an act are a function of "the strength with which he/she expects certain outcomes to be obtained from the act, times the attractiveness of the expected outcomes" [16]. Expectancy theory has three components; expectancy-effort-performance, instrumentality-performance-outcome and valence-

outcome-reward [7,17,18]. Expectancy (effort-performance) refers to the perceived link between the level of effort expended and the level of resultant performance; instrumentality (performance-outcome) refers to the perceived correlation between performance and the achievement of job rewards; valence (outcome-reward) refers to the perceived desirability of the potential rewards [18-21]. Similarly, a micro-entrepreneur's willingness to execute bookkeeping duties will depend on how the business owner perceives bookkeeping outcome and how bookkeeping practise may contribute towards business success.

Previous studies on the expectancy theory [19,21,22] indicate that insights on abilities and skills influence expectancy perceptions. Motivational effort exerted towards business success is dependent upon the entrepreneur's belief in his/her competencies and capabilities [20,23]. Moreover, Shaver et al. [20] state that an entrepreneur's willingness to perform certain tasks on business operations will be influenced by the expected outcomes. "A person must believe that exerting a given amount of effort can result in the achievement of a particular level of performance" [24]. Therefore, it is the researcher's opinion that the extent to which the micro-entrepreneur practices bookkeeping is influenced by the business owner's beliefs on possible bookkeeping benefits. Hence the below presumed illustrative diagram (Figure 1) is based on the expectancy theory [15].

Literature Review Bookkeeping Methods of Micro-Entrepreneurs

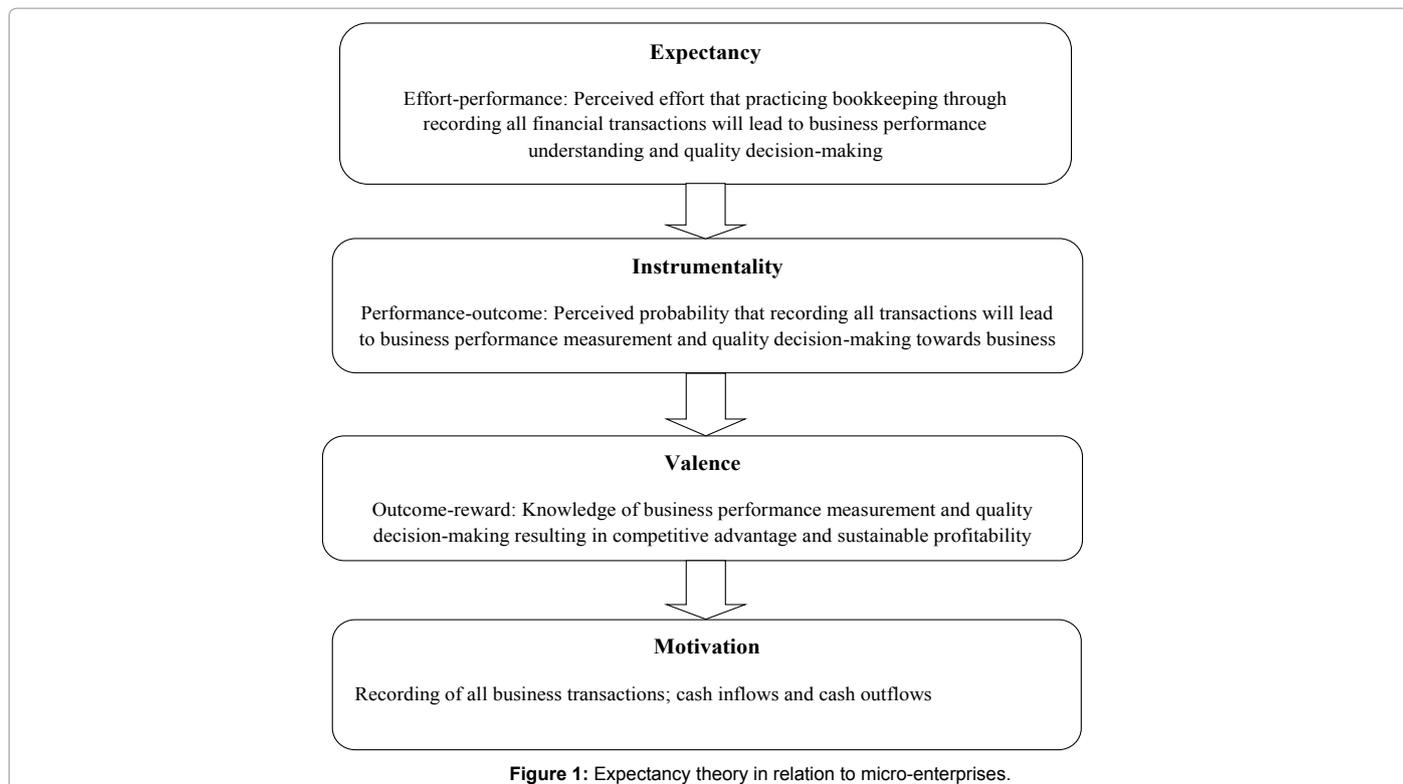
In the following literature review are explanations and discussions

*Corresponding author: Nyathi M, Faculty of Business and Management Sciences, Cape Peninsula University of Technology, South Africa, Tel: 021 460 3174; E-mail: nyathimoses87@gmail.com

Received May 16, 2017; Accepted August 18, 2017; Published August 25, 2017

Citation: Nyathi M, Benedict OH (2017) An Analysis of Bookkeeping Practises of Micro-Entrepreneurs in the Retail Clothing Industry in Cape Town, South Africa. J Entrepren Organiz Manag 6: 216. doi: [10.4172/2169-026X.1000216](https://doi.org/10.4172/2169-026X.1000216)

Copyright: © 2017 Nyathi M, et al. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.



on the types of bookkeeping methods utilised by micro-entrepreneurs; micro-entrepreneurs records maintained that is cash inflow and cash outflow records; inventory records, description of records, classification of records and the last stage of bookkeeping.

Bookkeeping method

Manual bookkeeping and electronic bookkeeping are two methods of bookkeeping utilised by businesses in maintaining their records. Some businesses simultaneously utilise both electronic bookkeeping and manual bookkeeping method [13,14,25-27]. Manual record-keeping systems consist of paper-based journals/entries and the journals are divided into separate sections for receipts and payments [13,26,27]. The main aim of manual bookkeeping is to record receipts and expenditures to maintain revenue and expense journals Pinson [13] and Benedict [27] highlight that manual bookkeeping is easy to understand, and is mostly used by small businesses and can be extremely effective. Arguably, manual bookkeeping tasks are tedious hence substantially substituted by computerised electronic bookkeeping [4,6,28-30].

Alternatively, businesses can use electronic bookkeeping where an accounting software is used to maintain journals automatically [13,25,30,31]. Electronic bookkeeping refers to the utilisation of accounting software for recording transactions [13,25,27,28,30]. The process of transaction capturing is simplified for the user in the sense that the transactions are easily entered and matched to the relevant account [4,13,25,30,32]. Next, the accounting software “automatically debits and credits the proper corresponding account” classified based on cash inflows and cash outflows.

Micro-entrepreneurs’ bookkeeping records

The following are bookkeeping transactions recorded by small

businesses: debtor’s records, invoices and sales receipt records, creditor’s records, expenses records, payroll records, petty cash records, and inventory records [3,13,28,33,]. According to Service (2016) transactions are divided into cash inflows (Income/receipts) and cash outflows (Expenditure/payments). Cash inflows comprise: debtors records, invoices and sales receipt records. Cash outflows include: expenses records, payroll records, petty cash records and inventory purchases records. The main aim of business operation is profit generation of which profit determination cannot be achieved in isolation bookkeeping execution with particular focus on cash inflows and cash outflows [1,13,14,27,34].

Cash inflows (Income/receipts)

Sales records capture all the sales of goods and services rendered, resulting in an increase in either cash or debtors [32,35-37]. Debtors are invoiced through a process of billing a customer for goods or services that are provided due to be paid until a future date, while cash sales are transactions which are paid for with cash or credit cards at the point of sale [13,25,28,35,38]. Kimmel et al. [35] note that an enterprise keeps a sales invoice which is a supporting document for credit sales to keep track of debtors. The debtors account records all credit sales, hence enabling the micro-enterprise to keep track of its customers and amounts owed by debtors [13,28,39,40]. Invoices are sent to debtors as a reminder to settle outstanding accounts [2,41,42]. This account will be applicable to micro-retail clothing enterprises which sell goods or render services on credit or lay-by and are essential to avoid non-payment through keeping track of debtors [2,27]. Cash sales are recorded on the cashbook when using manual bookkeeping or on the accounting software when using electronic bookkeeping [13,27,33]. Both cash sales and credit sales records serves as evidence of goods sold. Benedict [27] declares that sales results to profits which are the main motive for doing business, hence they probably are the most

important record of an enterprise.

Cash outflows (expenditure/payments)

There are several accounts which result in cash outflows and these include; purchase account, creditors account, petty cash account, payroll account [13,26,28,33,43]. Purchase account shows all purchases of goods, and the purchases are recorded when the business receives the goods from the seller [13,33,44,45]. Purchases are made either on a cash basis or electronically at the time of purchase or on a credit basis to settle the account at a later date [33,35,38,43,46,47]. A purchase invoice is provided by the supplier to the business as a supporting document for each credit purchase [35]. Credit purchases result on creditors which are recorded on the creditors account. Creditor account records all monies due to suppliers who have provided goods or rendered services to the business to be paid at a later date [13,25,26,33,37] and the time-lag before payment is usually between one and two months [2,25,38]. The business has an obligation to pay for the goods purchased on credit [35,46,48]. The credit account captures all credit purchases and enables the business to keep track of clients' owed [2,25,38]. By keeping track of clients owed, micro-entrepreneurs are able to settle debts in time and/or communicate with suppliers in case of insufficient funds to settle debts, hence maintaining good relations. Also, credit account records act as a reminder to the business owners to settle the accounts on time, hence maintaining good credit record.

Some businesses keep petty cash for the purposes of purchasing small items. Petty cash is used to purchase small items which cost small amounts of money for day-to-day operation of micro-enterprises [35,49,50]. Petty cash purchases may account for a huge amount of money by the end of a year. Therefore it is essential to keep proper records, such as receipts, of all petty expenditures which will enable the micro-entrepreneur to categorise those expenses at the end of the period [13,50]. If the micro-entrepreneur has employees, he/she is obligated to remunerate the employees. The employees' remuneration is recorded on payroll account. The payroll account records include both salaries and wages, of which salaries are based on monthly or yearly-basis monetary rewards, while wages are monetary rewards based on hourly rates usually paid on a weekly basis [33,35,38,51,52]. A micro-enterprise's payroll will comprise both the owner of the business' monetary reward together with the salaries/wages of employees [27,33,52]. The payroll record enables the micro-entrepreneur to determine the overall cash spent on remuneration and also helps on taxation calculations.

Previous studies [3,8,30,32,33,40,53-55] have revealed that execution of bookkeeping duties enables business owners to benefit in numerous business aspects such as profit calculation, inventory buying decision, income statement preparations, measuring of business performance by comparing current and previous financial records, understanding the big view of the business financials, forecasting, budgeting and attracts potential investors or funding institutions. It was found that micro-entrepreneurs engage in incomplete bookkeeping procedure and they have difficulties in understanding the proper bookkeeping criteria hence unable to enjoy the above-mentioned outcome benefits of bookkeeping [3,56]. It is therefore essential for micro-entrepreneurs to practise bookkeeping as it is one of the important business skills. Failure to practise bookkeeping has dire consequences which may lead to business failure [3,57-60].

Inventory/stock records

Inventories are goods available for future sales to customers

[27,28,35]. Inventory is directly linked to cash inflow and cash outflow on business transactions. Inventory records serve to keep track of stock available at hand and enable the micro-entrepreneur to determine which type of clothing moves fast and the stock of clothes which moves slowly. Therefore, proactive inventory records play an essential role on stock purchasing decisions and on managing business finances [28,33,40]. Furthermore, inventory records aid on supplier and customer accounts' adjustment on returned goods.

Description of records

According to Gibson [36] the general journal comprises journal entries and is called the book of original entry. Gibson [36] defines journal entries as all transactions which are recorded in a general journal with a full description of the transaction. Comprehensively, Warren et al. [61] affirm that a journal entry entails the recording of: the date of the transaction, the title of the account debited, the title of the account credited and a brief transaction description. General journal is the book of source and the transactions are recorded chronologically in accordance to date of occurrence. The process of recording transactions in a journal is called journalising [61]. Therefore, micro-entrepreneurs are expected to adequately describe business transactions on journal entries. This is useful for the owner and outside users for information and legal evidence.

Classification of records

General ledger contains posted journal entries which would have been initially recorded on the general Journal, hence called book of second entry [61]. General ledger summarises and classifies general journal entries to specific accounts irrespective of their date of occurrence [25]. The general ledger contains ledger accounts which represent the accumulated information about changes in: assets, liabilities, owner's equity, revenues or expenses [25,33,43,45]. The process of recording ledger accounts is called posting. Each ledger is identified by its account name or subaccount [25,43]. The micro-entrepreneur uses the general ledger as a reference document with regards to the overall business financial records Rosen [33].

Last stage of bookkeeping cycle

Bookkeeping is concluded by drafting a trial balance. The trial balance comprise of a list of all the accounts in the general ledger in which all the debit accounts (Cash inflows) are put on one side and all credit accounts (Cash outflows) are put on the other side [37,38,43]. Trial balance is used to check the occurrence of errors as a result of not making a credit entry for every debit entry or balancing an account incorrectly [33,43]. If there are no mathematical mistakes or errors of omission, debit accounts equal credit accounts. Trial balance is used as the base for preparation of final accounts which determine whether the business is making a profit or a loss. The trial balance is the last stage in the bookkeeping cycle [25,26,37,62]. In conclusion, bookkeeping records are categorised into cash inflows and cash out flows, either captured by means of manual bookkeeping method or electronic bookkeeping method. Bookkeeping records are used for numerous purposes which include but not limited to calculate profit, enable the micro-entrepreneur to determine which type of clothing moves fast and the stock of clothes which moves slowly, to make stock purchasing decisions, to track stock, to calculate tax and to track payments, of which all ultimately have an impact on business success. Therefore, micro-entrepreneurs should ensure that all business records are captured, properly described and the bookkeeping cycle is completed so that the financial information is usable in business decision making.

Failure to engage in bookkeeping practises poses a threat to micro-entrepreneurs business success.

Research Methodology

The positivism research approach was utilised to collect data using a questionnaire as a data collection instrument. The research methodology used aimed at obtaining information on bookkeeping practises. The questionnaire was standardized based on objective questions where respondents answered the questions without being governed by their feelings and opinions or influenced by the researcher. The data were then quantified and analysed using the Statistical Package for Social Sciences software (SPSS) into descriptive statistics.

Population

The target population for this research study were micro-entrepreneurs within the retail clothing industry located in Cape Town, South Africa. Years of operation were not considered in delineating the subjects (micro-entrepreneurs) of the study. The researcher observed that it was going to be expensive and impractical to find a list of all retail clothing entities operating small businesses in Cape Town. Therefore, generalisations were made with reference to small businesses within the retail clothing industry in Cape Town.

Sample technique

Questionnaires were distributed to a sample of 62 participants with questions pertaining to bookkeeping practises. The study employed non-probability purposive and cluster sampling. Non-probability purposive sampling was employed by selecting micro-entrepreneurs within the clothing industry. Businesses in other industries were excluded from the sample. Based on cluster sampling, the suburban clusters were selected. The selection was based on areas where the retail clothing businesses dominate in Cape Town so as to obtain a representative sample. The following suburban clusters which are mainly dominated by retail clothing business in Cape Town were selected; Cape Town Central Business District, Woodstock, Salt River, Maitland, Bellville, Observatory, Mowbray, Ronderboch, Claremont, Wynberg, Waterfront, and Greenpoint.

Presentation of Results and Discussions

This section presents and subsequently discusses results on micro-

entrepreneurs' demographic information, bookkeeping methods used and bookkeeping practises.

Table 1 shows that most (67.7%) of the retail clothing enterprises are operated by female. Similarly, previous studies show that women are increasingly perusing entrepreneurship and the clothing industry in particular is exclusively dominated by women [3]. This finding can also be explained by passion and strength required in the clothing industry which is a motivational factor for women entrepreneurs [3]. The majority (40.3%) of micro-entrepreneurs were between the ages of 20 and 30 years old Khosa [63] found that most of small-business owners in Cape Town, South Africa are owned by individuals between the ages of 20 and 30 years old. This can be explained by an increase on unemployment among youth hence resorting to entrepreneurship. The next age group with a significant percentage (24.2%) were the ages ranging between 30-40 years. These findings are comparable to Chrysostome [64], Tengeh [65], Fatoki and Patswawairi [66] who state that small business are mainly owned by middle-aged entrepreneurs. This finding can be explained by the exit from entrepreneurship to the job market of the individuals whom their businesses failed or individuals who were concurrently job-hunting while operating their businesses. The respondents had a wide range of level of education, 36.1% having attained a national diploma certificate, 21.3% with a metric or equivalent to metric certificate, 19.7% completed secondary education level, 16.4% with a bachelor's degree, 3.3% without formal education and respondents with a master's degree and primary education constituted of 1.6% each. The trend of entrepreneurs' qualifications in South Africa follows this pattern whereby the majority are with matric or post-matric qualifications and the minimum are without any formal education or with a master's degree Fatoki and Garwe [63,66,67]. The missing (1.6%) may account for and be explained by the fact that post-masters qualification were excluded in the question selection.

Out of 62 micro-entrepreneurs, 40.3 percent used a manual bookkeeping system; 27.4 percent captured their transactions electronic and 32.3 percent used both a manual and an electronic record-keeping method (Table 2). The results show that the majority of the participants use manual bookkeeping. This finding is in line with the findings by Pinson [13] and Benedict [27] that small-business owners maintain their business records manually because it is easy to understand. Also, the use of manual bookkeeping is cheap compared to the computerised bookkeeping system. This implies that micro-

Gender	Frequency %	Age	Frequency %	Education	Frequency %
Male	20 (32.3%)	<20 years	1 (1.6%)	No formal education	02 (3.2%)
Female	42 (67.7%)	20-30 years	25 (40.3%)	Primary education	01 (1.6%)
		31-40 years	15 (24.2%)	Secondary education	12 (19.4)
		41-50 years	11 (17.7%)	Certificate/Metric	13 (21.0%)
		51-60 years	6 (9.7%)	Diploma	22 (35.5%)
		60 years and above	4 (6.5%)	Bachelor's degree	10 (16.1%)
				Master's degree	01 (1.6%)
Missing					61 (98.4%)
					1 (1.6%)
Total	62 (100%)		62 (100%)		62 (100%)

Table 1: Gender, age and level of education of micro-entrepreneurs.

Variable accounting bookkeeping method	Frequency	Percentage	Cumulative percentage
Electronic	17	27.4	27.4
Manual	25	40.3	67.7
Both	20	32.3	100
Total	62	100	

Table 2: Accounting bookkeeping method.

Variable bookkeeping execution practices	Never		Rarely		Sometimes		Often		Always	
	Frequency	Percentage								
I record all the money coming in and going out of the business	3	4.8	2	3.2	6	9.7	7	11.3	44	71
I record all the money withdrawn from the business for personal use	6	9.7	3	4.8	6	9.7	6	9.7	41	66.1
I separate my personal finances from business finances	5	8.1	3	4.8	4	6.5	8	12.9	42	67.7
I process invoices with suppliers	4	6.5	1	1.6	2	3.2	1	16.1	45	72.6
I give customers receipt and stay with a copy	1	1.6	1	1.6	3	4.8	6	9.7	51	82.3
I record all amount that the business owes	12	19.4	3	4.8	6	9.7	3	4.8	38	61.3
I adjust accounts when debtors settle their debts	6	9.7	2	3.2	1	1.6	1	22.6	39	62.9
I name and describe the transactions I record	4	6.5	1	1.6	3	4.8	1	22.6	40	64.5
I make use of the general ledger	19	30.6	6	9.7	5	8.1	7	11.3	25	40.3
I check whether debits and credits balance	6	9.7	4	6.5	5	8.1	1	22.6	33	53.2
I draft the trial balance on monthly basis	18	29	11	17.7	4	6.5	9	14.5	20	32.3
I use the business records to know how much cash I have.	9	14.5	1	1.6	6	9.7	7	11.3	39	62.9

Table 3: Micro-entrepreneurs' bookkeeping execution practises.

entrepreneurs' who cannot afford electronic bookkeeping system opt for manual bookkeeping. Significantly, 32.3 percent of micro-entrepreneurs use both manual and electronic bookkeeping method. Likewise, Pinson [13] states that businesses can either utilise manual bookkeeping or electronic bookkeeping systems, alternatively both manual and bookkeeping execution practises electronic bookkeeping can be utilised concurrently in capturing business transactions (Table 3).

A small percentage (27%) of micro-entrepreneurs solely utilises electronic bookkeeping system for recording their business transactions. In total, at least 59.7 percent of micro-entrepreneurs use electronic bookkeeping. This can be explained by the fact that businesses are increasing opting for computerised bookkeeping. Computerised bookkeeping is more efficient as massive paper usage and data entry mistakes associated with manual bookkeeping are substantially eliminated [4-30].

In table 3 questions pertaining to bookkeeping practises of micro-entrepreneurs within the retail clothing industry were asked using a five-point Likert-scale (1-Never, 2-Rarely, 3-Sometimes, 4-Often, 5-Always) method. Respondents were asked to indicate the frequency of executing the indicated bookkeeping.

The majority 82 percent (Always=71% and Often=11%) of the participants record all monetary inflows and outflows of their business while 13% (Rarely=3% and Sometimes=10%) of the participants rarely or sometimes account for money coming in and going out of the business. Similarly, 86 percent (always=63% and often=23%) of the respondents adjust their business accounts when debtors settle their debts and 89 percent (Always=73% and Often=16%) of the respondents constantly process suppliers invoices. This can be explained by the fact that both cash flow records and debt settlement records are directly linked to the money coming in and out of the business. It also explains that most of the micro-entrepreneurs acknowledge the obligation to pay suppliers through invoice processing and updating their transactions when debtors settle their accounts hence they are able to track payments. Micro-entrepreneurs are obliged to track payments because there are two or many entities involved, particularly

when stock is bought from the wholesalers where it is a requirement to process all documentation when transactions are made. Likewise, Kimmel et al. [35], Benedict [27], Chauhan [46] emphasis on the importance of keeping payments records to keep track of both debtors and creditors obligations. Even though micro-entrepreneurs process invoices, significantly 19 percent of micro-entrepreneurs' do not keep records of the money which the business owes which may result in late debt payments. Late debt payment is not a health culture for the business, particularly where debt interest is charged and future credit purchases are expected. Most 88% (Always=65% and Often=23%) of the respondents name and describe transactions when capturing records and a minimum percentage rarely (2%) or sometimes (5%) name and describe transactions when capturing records. In line with Warren et al. [61] and Gibson [36] most micro-entrepreneurs capture the full description of the transactions. Detailed information enables micro-entrepreneurs to deal with disputes associated with returns.

As displayed in Table 3, most 80.6 (Always=67.7% and Often=12.9%) of micro-entrepreneurs separate their personal finance from business finances. Slightly more than three quarters or 76% (Always=66% and Often=10%) of the participants frequently record all the money withdrawn from their business and almost three quarters 74% (Always=63% and Often=11%) of the participants use business records to determine cash available within the business. Although most micro-entrepreneurs indicated they record all cash inflows and cash outflows and separate business finances from personal finances, about a quarter do not rarely maintain withdrawal records. This can be explained by the fact that some micro-entrepreneurs do not separate business finance and personal finance. Failure to record withdrawals imply that the actual cash available in the business is less than what is reflected on financial records [13,35]. Slightly above half 51% (Always=40% and Often=11%) of the respondents make use of general ledger in classification of recorded transactions and a total of 31% of the respondents never make use of the general ledger. This result correlates with the findings on bookkeeping methods used by micro-entrepreneurs, whereby below half of micro-entrepreneurs use manual bookkeeping method and above half use either electronic

bookkeeping method or both manual and electronic bookkeeping. On manual bookkeeping there is no need to use the general ledger system on recordkeeping. General ledger is mostly used electronic bookkeeping system. Slightly above three quarters 76% (Always=53% and Often=23%) of the respondents often or always checked whether credits and debits balance when recording business transactions. A total of 15% (Rarely=7% and Sometimes=8%) of the respondents sometimes or rarely checked whether debits and credits balance while 10% of the participants never checked whether credits and debits balance. Conversely, a significant 29 percent of the respondents do not draft the trial balance on a monthly basis with below half. 46.8 percent (Always=32% and Often=15%) of the respondents who drafts the trial balance on monthly basis. The statistical contradiction on higher percentage indicating that they check whether credits and debits balance verses the low percentages indicating that they do not draft a trial balance which checks whether credits and debits balance may be explained by the fact that; most micro-entrepreneurs are survivalist operating on continuous mode without closing financial books on monthly basis. Therefore, credits and debits are checked at the time of the transaction not collective credit and debit entries at the end of the month. Bookkeeping cycle is concluded by drafting a trial balance [37,38,43]. These results imply that micro-most entrepreneurs' do not complete the bookkeeping cycle, therefore maintain incomplete bookkeeping records. Similarly, findings by Maseko and Manyani [56] and Ajao et al. [3] show that small businesses engage on incomplete bookkeeping practices. In relation to expectancy theory, the level of micro-entrepreneurs bookkeeping will be depending on their expectations on the outcome and benefits of financial records produced [7,15,19,18,24,68].

Table 4 presents data reliability verification Cronbach's Alpha analysis is used to determine through the use of Cronbach's Alpha analysis internal consistency and data collection instrument reliability. The Cronbach's Alpha coefficient's of 'Micro-entrepreneurs' bookkeeping execution practices' is 0.893 greater than 0.707 which; Nunnally [69], Peterson [70], Gliem [71] explains that the variable items on the five-point Likert-scale used are reliable. [72-85].

Conclusion and Recommendation/s

The study analysed the bookkeeping practices of micro-entrepreneurs within the retail clothing industry. From the results, it can be concluded that most micro-entrepreneurs utilise manual bookkeeping system. However, are increasingly adopting to electronic bookkeeping system within their businesses. The results further showed that micro-entrepreneurs do practise bookkeeping, but do not complete the bookkeeping cycle hence suggesting that incomplete bookkeeping records are maintained. Worryingly was that most micro-entrepreneurs indicated that decision making is based on maintained financial records. This translates to unsustainable poor decision-making emanating from incomplete book keeping records which may ultimately result in business failure. To this effect, it is therefore recommended that micro-entrepreneurs' should engage in complete bookkeeping practises so that the business records show the true reflection of the business' financial performance hence quality decision making towards business success.

Variable	Items	Cronbach's Alpha
Micro-entrepreneurs' bookkeeping executing practices	12	0.893

Table 4: Reliability on Micro-entrepreneurs' bookkeeping execution practices.

References

- Ademola S, Adeyemi AZ, Odebiyi I (2017) Financial Management Practices and Women Entrepreneurs Performance: An Empirical Investigation. *International Journal of Economics and Business Management* 3: 70-79.
- Agyei-Mensah BK (2010) Working capital management practices of small firms in the Ashanti region of Ghana. 2: 567-583.
- Ajao OS, Oyeyemi OG, Moses OI (2016) Bookkeeping and sustainability of small scale businesses in Nigeria: An assessment of Agbara Local Government Area, Ogun State. *Unique Journal of Business Management Research* 3: 11-21.
- Alves MDC (2010) Information technology roles in accounting tasks-A multiple-case study. *International Journal of Trade, Economics and Finance* 1: 103-107.
- Arasti Z, Zandi F, Bahmani N (2014) Business failure factors in Iranian SMEs: Do successful and unsuccessful entrepreneurs have different viewpoints? *Journal of Global Entrepreneurship Research* 4: 1-14.
- Aziz K (2003) Accounting information system satisfaction and job satisfaction among Malaysian accountants. Paper Presented at the 7th Pacific Asia Conference on Information Systems (PACIS), Adelaide, Australia, pp: 786-803.
- Baumann MR, Bonner BL (2017) An Expectancy theory approach to group coordination: Expertise, task features, and member behavior. *Journal of Behavioral Decision Making* 30: 407-419.
- Rajaram R, O'Neill C (2009) Profit or No Profit-Does the SME Sector Really Know? *Themes in Management and Informatics* 16: 99-119.
- Brigham E, Ehrhardt M (2013) *Financial management: theory & practice*. Cengage Learning.
- Drexler A, Fischer G, Schoar A (2014). Keeping it simple: Financial literacy and rules of thumb. *American Economic Journal: Applied Economics* 6: 1-31.
- Gaskill LR, Van Auken, HE, Kim HS (2015) Impact of operational planning on small business retail performance. *Journal of Small Business Strategy* 5: 21-36.
- Höglund H, Sundvik D (2016) Financial reporting quality and outsourcing of accounting tasks: Evidence from small private firms. *Advances in Accounting* 35: 125-134.
- Pinson L (2007) *Keeping the books: basic record-keeping and accounting for the successful small business*. United States of America: Kaplan Publishing.
- Tuyisenge HJ, Mugambi F, Kamirembe OM (2015) The role of financial literacy on loan repayment among small and medium entrepreneurs in Rwanda case study: Urwego opportunity bank. *International Journal of Small Business and Entrepreneurship Research* 3: 33-66.
- Vroom VH (1964) *Work and motivation*. New York: Wiley.
- Hackman JR, Porter LW (1968) Expectancy theory predictions of work effectiveness. *Organizational Behavior and Human Performance* 3: 417-426.
- Schmidt FL (1973) Implications of a measurement problem for Expectancy Theory research. *Organizational Behavior and Human Performance* 10: 243-251.
- LaFleur KE, Arnold DR, Smith GD (2013) Expectancy theory: a framework for analyzing relations between dependent yet autonomous channel members. In: *Retail and marketing channels: Economic and marketing perspectives on producer-distributor relationships*. Pellegrini L, Reddy SK editors. United States of America: Routledge Publisher, pp: 138-145.
- Katzell RA Thompson DE (1990) Work motivation: Theory and practice. *American Psychologist* 45: 144-153.
- Shaver KG, Gartner WB, Crosby E, Bakalarova K, Gatewood EJ (2001) *Attributions About Entrepreneurship: A Framework and Process for Analyzing Reasons for Starting a Business*. *Entrepreneurship Theory and Practice* Winter pp: 5-32.
- Purvis RL, Zagenczyk TJ, McCray GE (2015) What's in it for me? Using expectancy theory and climate to explain stakeholder participation, its direction and intensity. *International Journal of Project Management* 33: 3-14.
- Rasch RH, Tosi HL (1992) Factors affecting software developers' performance an integrated Information approach. *Management System Quarterly* 16: 395-413.
- Chen L, Ellis SC, Suresh N (2016) A supplier development adoption framework using expectancy theory. *International Journal of Operations & Production Management* 36: 592-615.

24. Renko M, Kroeck KG, Bullough A (2012) Expectancy theory and nascent entrepreneurship. *Small Business Economics* 39: 667-684.
25. Calder L (2011). *Junior Bookkeeper: Computerised Bookkeeping Pastel Accounting*. Cape Town: edge learning media.
26. Maritz J (2011) *Bookkeeping to trial balance*. Cape Town: Edge learning media.
27. Benedict RG (2012) An investigation of the accounting records maintained by black businesses in rural Qwaqwa. A dissertation submitted in full fulfillment of the requirements for the degree of Masters Commercii: Accounting in the Faculty of Economic and financial sciences at the University of Johannesburg.
28. Vinayagamoorthy A, Sakila N (2013) A study on impact of e-accounting. *Indian Journal of Accounting* 1: 93-101.
29. Silva WAC, Rocha AM, De Oliveira Melo AA (2014) Management and Internal Control System: An Analysis of Accounting Offices Located in Belo Horizonte, MG, Brazil, and Its Metropolitan Area, Using the Four-Stage Model of Kaplan and Cooper. *International Journal of Finance and Accounting*, 3: 162-173.
30. Zakaria WZW, Ilias N, Wahab N (2017) A Survey on the Impact of Accounting Information System on Tasks Efficiency: Evidence from Malaysian Public Sector Agencies. *International Review of Management and Marketing* 7: 183-190.
31. Molanazari M, Abdolkarimi E (2010) The effects of task uncertainty, decentralisation and accounting information systems characteristics on the accounting information systems performance in Tehran stock exchange: Three way interaction model. Paper Presented at the 2nd International Conference on Information and Financial Engineering 3: 443-448.
32. Cadden DT, Schneider GP (2014) Accounting and Entrepreneurship students: Scope and delivery issues. *Academy of Entrepreneurship* 20: 2-8.
33. Rosen B (2016) Best practices for accounting procedures for micro, small and medium-sized businesses. *Arizona Journal of International & Comparative Law* 33: 317-328.
34. Lin SM, Ansell J, Andreeva G (2012) Predicting default of a small business using different definitions of financial distress. *Journal of the Operational Research Society* 63: 539-548.
35. Kimmel PD, Weygandt JJ, Kieso DE (2009) *Accounting: Tools for business decision making*. John Wiley & Sons.
36. Gibson CH (2013) *Financial statement analysis*. 13th (edn) International edition. Cengage learning.
37. Service C (2016) *Gripping Generally Accepted Accounting Principles*, (16thedn.) Pietermaritzburg: LexisNexis.
38. Bradshaw J, Brooks M (1996) *Business Accounting and Finance for Managers and Business Students*. Juta and Company Ltd.
39. Pushplata C, Rakhi H (2013) Liquidity analysis of bajaj auto limited. *Indian Journal of Accounting* 1: 112-119.
40. Kirsten CL, Fourie JR (2012) The accounting professions' role in financial management skills development of small businesses. *Journal of Economic and Financial Sciences* 5: 459-479.
41. Zervides A, Tsappi P (2000) U.S Patent No. 6,052,674. Washington DC: U.S Patent and Trademark Office.
42. Broadhead A, Light G (2007) *Deadlines and Reminders. English for Personal Assistants: The essential handbook for doing business internationally*, pp: 106-112.
43. Flynn D, Koornhof C, Kleynhans K, Meyer L, Posthumus L (2012) *Fundamental accounting* (5thedn.), Juta and Company Ltd.
44. Needles B, Powers M, Crosson S (2012) *Principles of accounting*. Cengage Learning Norek CD (2002). Returns management: making order out of chaos. *Supply Chain Management Review* 6: 34-42.
45. Osuala EC, Adukwu EA (2014) Utilization of Computer Software in Posting Transactions to Ledger Accounts in the Teaching of Financial Accounting in Tertiary Institutions in the North-East Nigeria. *Journal of Education and Practice* 5: 1-6.
46. Chauhan NM, (2013) Accounting for Sales Revenue and Sales Return. *Journal of Research in Humanities and Social Sciences* 1: 15-19.
47. Service C (2015) *Gripping Generally Accepted Accounting Principles*, (16th edn.), Pietermaritzburg: LexisNexis.
48. Quinn M (2012) *Brilliant Accounting: Everything you need to know to manage the success of your accounts*. Pearson UK.
49. Gourville JT (2003) The effects of monetary magnitude and level of aggregation on the temporal framing of price. *Marketing Letters* 14: 125-135.
50. Di Muro F, Noseworthy TJ (2013) Money isn't everything, but it helps if it doesn't look used: How the physical appearance of money influences spending. *Journal of Consumer Research*, 39: 1330-1342.
51. Konings J, Murphy AP (2006) Do multinational enterprises relocate employment to low-wage regions? Evidence from European multinationals. *Review of World Economics* 142: 267-286.
52. Burman K (2008) *Income tax returns: Technical financial accountant*. South Africa: Edge learning media.
53. Bruwer JP, Watkins A (2010) Sustainability of fast moving consumer goods retail SMMs. *African Journal of Business Management* 4: 3550-3555.
54. Oosterbeek H, Van Praag M, Ijsselstein A (2010) The impact of entrepreneurship education on entrepreneurship skills and motivation. *European Economic Review* 54: 442-454.
55. Velimirović D, Velimirović M, Stanković R (2011) Role and importance of key performance indicators measurement. *Serbian Journal of Management* 6: 63-72.
56. Maseko N, Manyani O (2011) Accounting practices of SMEs in Zimbabwe: An investigative study of record-keeping for performance measurement (A case study of Bindura). *Journal of Accounting and Taxation* 3: 158-161.
57. Benzing C, Chu HM, Kara O (2009) Entrepreneurs in Turkey: A factor analysis of motivations, success factors, and problems. *Journal of Small Business Management* 47: 58-91.
58. Fatoki O, Garwe D (2010) Obstacles to the growth of new SMEs in South Africa: A principal component analysis approach. *African Journal of Business Management* 4: 729-738.
59. Fischer MJ (2000) *Luca Paciolo on Business Profits*. Kluwer Academic Publishers: Netherlands. *Journal of Business Ethics* 25: 299-312.
60. Mitchelmore S, Rowley J (2013) Entrepreneurial competencies of women entrepreneurs pursuing business growth. *Journal of Small Business and Enterprise Development* 20: 125-142.
61. Warren C, Reeve J, Duchac J (2013) *Financial & managerial accounting*. Cengage Learning.
62. Service C (2011) *Gripping Generally Accepted Accounting Principles* 12th (edn.), Pietermaritzburg: LexisNexis.
63. Khosa RM (2014) An analysis of challenges in running micro-enterprises: a case of African foreign entrepreneurs in Cape Town, Western Cape.
64. Chrysostome E (2010) The success factors of necessity immigrant entrepreneurs: In a search of a model. *Thunderbird International Business Review* 52: 137-152.
65. Tengeh RK (2011) A business framework for the effective start-up and operation of African immigrant-owned businesses in the Cape Town Metropolitan area, South Africa.
66. Fatoki O, Patswairi T (2012) The motivations and obstacles to immigrant entrepreneurship in South Africa. *Kamla-Raj* 32:133-142.
67. Kalitanyi V, Visser K (2010) African immigrants in South Africa: job takers or job creators?. *South African Journal of Economic and Management Sciences*, 13: 376-390.
68. Ferris KR, (1977) A test of the Expectancy Theory of motivation in an accounting environment. *Accounting review* 53: 605-615.
69. Nunnally JC (1978) *Psychometric Theory*. 2nd Edition, McGraw-Hill, New York.
70. Peterson RA (1994) A meta-analysis of Cronbach's coefficient alpha. *Journal of Consumer Research* 21: 381-391.
71. Gliem JA, Gliem RR (2003) Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales. *Midwest Research-to-Practice Conference in Adult, Continuing, and Community Education*, Ohio State University, Columbus, pp. 82-88.
72. Chen Y, Gupta A, Hoshower L (2006) Factors that motivate business faculty

- to conduct research: An Expectancy Theory Analysis. *Journal of Education for Business* 81: 179-189.
73. Chiang CF, Jang SS Deborah Canter, Bruce Prince (2008) An expectancy theory model for hotel employee motivation. *International Journal of Hospitality Management* 9: 327-351.
74. Daugherty PJ, Richey RG, Genchev SE, Chen H (2005) Reverse logistics: superior performance through focused resource commitments to information technology. *Transportation Research Part E: Logistics and Transportation Review* 41: 77-92.
75. DO Valle PO, Menezes J, Reis E, Rebelo E (2009) Reverse logistics for recycling: The customer service determinants. *International Journal of Business Science and Applied Management* 4: 1-17.
76. Guide VDR, Jayaraman V, Linton JD (2003) Building contingency planning for closed-loop supply chains with product recovery. *Journal of operations Management* 21: 259-279.
77. Haltiwanger J, Jarmin RS, Miranda J (2013) Who creates jobs? Small versus large versus young. *Review of Economics and Statistics* 95: 347-361.
78. Lancioni RA, Smith MF, Oliva TA (2000) The role of the Internet in supply chain management. *Industrial Marketing Management* 29: 45-56.
79. Lawler EE, Suttle JL (1973) Expectancy theory and job behavior. *Organizational Behavior and Human Performance* 9: 482-503.
80. Liao HL, Liu SH, Pi SM (2011) Modeling motivations for blogging: An expectancy theory analysis. *Social Behaviour and Personality an International Journal* 39: 251-264.
81. McMahon RG, Holmes S (1991) Small business financial management practices in North America: a literature review. *Journal of Small Business Management* 29: 19-29.
82. Mustapha M, Yaen CH (2016) Demand for voluntary audit by small companies in Malaysia. *Malaysian Accounting Review* 12: 73-88.
83. Parlikad AK, McFarlane D, Fleisch E, Gross S (2003) The role of product identity in end-of-life decision making. *Auto ID Centre White Paper cam-autoid-wh017*.
84. Service C (2011) *Gripping Generally Accepted Accounting Principles*, (12th edn.) Pietermaritzburg: LexisNexis.
85. Srivastava SK (2008) Network design for reverse logistics. *Omega* 36: 535-548.