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Accounting Information Management and Performance of Small Business Enterprises: A Case Study of Mbale Municipality

The study sought to establish the relationship between accounting information management and performance of Small Business Enterprises (SBEs). The study undertook three objectives: to identify the effect of book keeping on SBEs performance, to identify the effect of accounting information use on performance of SBEs and finally, to ascertain the effect of accounting information storage on performance of SBEs. A cross sectional and correlational quantitative design was used with a sample of 134 respondents. The respondents were chosen from the SBEs operating in Mbale Municipality. Data were collected using questionnaires. Analysis was done using Pearson's correlation and regression analysis and conclusions were thereafter drawn. The first objective of the study was to identify the effect of book keeping on performance of SBEs. It was revealed that book keeping has a significant relationship ($p < 0.01$) with performance of SBEs and predicted about 12% ($R^2 = 0.12$) of the observed variance on the performance of SBEs. Identifying the effect of accounting information was the second objective and it was revealed that it also has a significant relationship with SBEs performance and accounts for about 32% (Adjusted $R^2 = 0.32$) of the observed variance on the performance of SBEs. Finally ascertaining the effect of accounting information storage was the third objective and it was ascertained that accounting information storage also has a significant relationship ($p < 0.01$) with SBEs performance and also predicted about 16% ($R^2 = 0.159$) of the observed variance on the performance of SBEs. The study, therefore, concludes that book keeping, information use and information storage as dimensions of accounting information management have a significant relationship on profitability as a measure of performance on SBEs. It is recommended, therefore, that there should be an introduction of computerised accounting system which will enhance proper book keeping and storage of data. It is also strongly recommended that SBEs should make use of accounting information in operation of their enterprises since it has a greater effect on their performance.

Key words: Information, Management, Accounting, Enterprise, Business