

The Role of Records Management in Small Micro and Medium Enterprises (SMMEs) in South Africa and Its Implications for Business Sustainability

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through automation by designing SMME-specific RM systems, such as service-oriented design, to aid both manual and electronic RM.

Keywords: Records Management, Records Management Policy, SMMEs Sustainability, Records Life cycle, Return on Investment.

Abstract

The study investigated the nature of records management (RM) in enhancing small, micro and medium enterprises (SMMEs) sustainability in South Africa. Indubitably, RM practices play a crucial role in supporting business return on investment, sustaining business decision making, and improving sustainable business management. The study adopted a case study; purposive sampling techniques and in-depth interviews were conducted to gather data from 23 SMMEs in Nkonkobe Municipality. The findings indicated that despite enormous contribution of the SMMEs to the South African economy, no actual RM policy existed to guide them in their business processes, and how business records should be managed and preserved. The findings revealed that SMMEs are yet to profit from the return on investment RM offers. Their inability to maintain business records serves as hindrance to access to credit facilities, especially from banks. The SMME owners or managers lack skills to manage their business records, and this has affected their output and productivity. The researchers recommended that the RM guiding principles should be incorporated by the SMMEs as the big companies utilise it, and this can help small businesses too if they are adapted to meet their local needs. The RM principles can be embedded

Introduction

In the European Union (EU), it was reported that the small micro and medium enterprises (SMMEs) ability to maintain records management (RM) was necessary for their operations, including efficient access to records that led to improved service delivery (Webster, Hare and McLeod, 1999). In Europe, it was highlighted that overall performances of businesses that kept records were enhanced compared to those that failed to adopt proper records management. This proper RM practices, in part, might have explained the reasons why the 34 countries in the Organisation for Economic Cooperation and Development (OECD) in the EU member states and beyond have had so many successful SMMEs.

Inarguably, the importance and significance of SMMEs were documented by Lukacs (2005). These findings by Lukacs in 2005 showed that 19.3 million existing small businesses were contributing significantly to the EU economy, providing above sixty-five million jobs. In New Zealand, 98% of its current businesses are categorised as SMMEs (Lawrence, Collins, and Pavlovich, 2006). In most of the EU member states, SMMEs maintain 'considerable' records management practices and even utilise information technology (IT) to optimise their records keeping (Webster and Hare, 1999; Borglund et al., 2009). SMMEs in the UK, for example, have realised that RM is the third most important for business improvement after

management and training (Webster and Hare, 1999).

A study by Kemoni (2009) indicated that most countries in the Eastern and Southern Africa Regional Branch of the International Council on Archives (ESARBICA) region lack the capacity for effective records management. It was reported that a lack of training capacity and awareness among records keeping personnel and unavailability of infrastructure are obstacles to effective records management. Fatoki and Van Aardt Smit (2011) found that record keeping is among the challenges facing SMEs and SMMEs in South Africa. Moreover, if the business operation lacks the required skills, it will impede their ability to transfer required knowledge to other employees (Ajibade, 2016) because it is necessary for the small businesses to be able to transfer their knowledge, either, RM or through any other business knowledge.

Several findings have indicated varying degrees of a lack of required knowledge and professional skills in RM. These challenges are present in the public, corporate and most business enterprises, where unqualified personnel are employed to act as records managers without being trained (Khayundi, 2011). According to Fripp (2013), ineffective management of business records could result in operational problems including low or loss of productivity, lack of business direction, decreased efficiency and tilting profitability. Many efforts have generated empirical studies in the ESARBICA region to strengthen e-records management capacity building and promote public records management (Ngulube and Tafor, 2006; Tough and Kemoni, 2009; Wamukoya and Mutula 2005) and e-records management is increasing in the ESARBICA region due to technological advancement. Digital or e-records management in South Africa has been gaining empirical momentum (Katuu and Ngoepe 2015), but earlier studies focused on public institutions and agencies. However, South Africa Government recognises the vital role and contributions of the business institutions, particularly the small and medium enterprises (SMEs), and this has mandated the government to create a Ministry of Small Business Development. But, findings by Ajibade (2015) on the records management practices among SMMEs identified that SMMEs were faced with the “inability to create file plan and

maintained business records descriptions.” It was indicated that there was a lack of RM knowledge among the SMMEs, as most SMMEs lack the necessary skill of RM which is required for business operations (Ajibade, 2015). This lack of RM ability is consistent with the findings of Okello-Obura (2012) conducted on SMEs E-records and Khayundi (2011) studies carried out on public institutions. Findings by Ajibade (2015) suggested that economic contributions of SMMEs in South Africa were above 45%, but there are huge gaps in literature to document SMMEs records management in South Africa.

This study adopted records life cycle and continuum models to depict the life of a record during its current, semi-current and non-current stages. Records life cycle is the systematic and logical movement of a record from creation, maintenance, use, storage, retrieval, retention and disposal (Zawiya and Chell, 2000; Dick, 2011; Hoke, 2011; IRMT, 2013; McLeod, 2005).

Problem Statement

SMMEs, in an ideal business milieu, must be able to maintain records that are created or received as evidence of business transactions. In South Africa, the SMMEs failure rate was estimated at 75 per cent, ranking among the highest in the world (Brink, Cant, and Ligthelm, 2003; Fatoki and Van Aardt Smit, 2011). Among the contributing factors to this failure are poor records management and lack of access to finance. Fatoki and Van der Mart (2011) had raised concern in passing that lack of records, and information asymmetry had prevented the small businesses in South Africa from securing loans to finance their operations. Findings revealed that in the advanced economy such as Europe, SMMEs are maintaining records for administrative, operational and legal compliance purposes (Webster, Hare, and McLeod, 1999; Borglund, Anderson, Sirkemaa, Wahlberg, and Sandberg, 2009). But there were limited data to document South African SMMEs RM practices that showed their compliance and records managements either for financial or for operational decisions. It might be that the SMMEs are not aware of the importance of RM to their business operations. Study conducted in Uganda revealed that majority of SMMEs failed to comply with RM legal requirements (Tushabomwe-Kazooba, 2006).

However, Ajibade (2015) revealed that records management practices by small businesses in South Africa have not been explicitly researched (Ajibade, 2015). Several queries on “SMMEs RM in Africa” were also carried out on Google Scholars with various search techniques such as term-masking and Boolean methods with different search phrases. Only 12 results were retrieved, but most of the findings were not on SMMEs RM practices. Most of the studies did not focus on SMMEs RM, but either mention in-passing, RM or SMMEs inventory management automation (Mbuvi, Namusonge and Arani, 2016), and this lack of data further justified there is a lack of sufficient empirical studies specifically conducted on SMMEs RM practices. Other studies mentioned in passing, SMEs record, while others have concentrated on personnel RM, and public institutions (Khayundi, 2011; Moatihodi and Kalusopa, 2016). Since 2015, South African Government established the Ministry of Small Business Development; yet, there have not been empirical studies to report the nexus between SMMEs and RM practices. Presently, there is a lack of literature that highlights importance of RM by the SMMEs in South Africa, and this concern further justifies the need for research on this subject in South Africa.

Research Questions

The main aim of this study was to investigate the role of records management in small, micro, and medium enterprises and its implication for their sustainability.

The following research questions guided the study.

- What are the educational levels of the SMMEs managers?
- What records management skill/training do the SMMEs possess?
- What types of records are generated and maintained by SMMEs in South Africa?
- What records management practices are adopted by the SMMEs in South Africa?
- What is the importance of RM to SMMEs businesses in South Africa?

Research Method

The study site was Alice and Fort Beaufort business districts in the Nkonkobe local Municipality. The study was carried out from 2014 and was finalised in 2015.

The study adopted a multi-case approach at Nkonkobe Municipality. The SMMEs at Alice and Fort Beaufort served as the study population. This multi-case approach was adopted by other researchers on related subjects in this field (Ajibade, 2015; 2016; Munetsi, 2012; Ngulube, 2003). It was important to understand the views, opinions, values, and knowledge of SMMEs managers on RM (Leedy and Ormrod, 2010; Welman, Kruger and Mitchell, 2010 and Hales 2010), especially since this study was exploratory in nature to establish the SMMEs RM practices. The study adopted purposive sampling techniques to select respondents that the researcher believed could supply needed information in the study area. Purposive sampling techniques provided the researcher authority to use his/her knowledge of the subject matter and the study area to locate respondents that can supply rich information.

The data were collected through in-depth interviews with 23 businesses and field observations (Babbie, 2010) which were deemed suitable (Ajibade, 2016; Durst and Edvardsson, 2012; Welman *et al.*, 2010). The sample size was not a problem as the study was concerned with depth of understanding rather than generalisation of findings. This is consistent with interviews where emphasis was made on rich data, and it was argued that fewer respondents will be needed to reach point of saturation (Morse 2000). Hence, the interviews reached the point of saturation after the 21st respondent but the interview continued until the 23rd respondent and at this point; there were no new information, which was the saturation point to avoid repetition. Kele, Mohsin and Lengler (2017) studies reported that their interviews reached saturation point at the 22nd respondent; hence, their interviews total sample size were 22 respondents. The choice of in-depth interviews in this study was justified by the need for rich data and in-depth insights rather than an attempt to generalise the findings for examining the role of RM in SMMEs. Interviews lasted for twenty minutes where there was no customer’s interruption, but approximately twenty-five minutes where there were interruptions or pulse during the interviews. Twenty-three SMMEs owners

or managers were interviewed. The rationale behind the choice of the business managers' selection was the fact that some of the owners were not the ones managing the business but appointed business managers. The Statistical Package for Social Sciences (SPSS) software version 20.1 decision tree was used to find patterns in the interviewee's responses. The interviews were transcribed and categorised into themes based on the research questions.

Result and Discussions

Educational Background:

The educational level of the people engaged in one activity or the other as managers/owners or one of

the employees might influence their ability to maintain business records and improve RM practices. It was necessary to find out whether the respondents' level of education had any influence on their decision to maintain records in their businesses. The data indicated that 91.3% had one form of formal education or the other ranging from primary stage 4.3%, secondary 17.4%, grade 12/matric 39.1%, university/diploma 26.1%, and others 4.3%. However, for 8.7%, the educational background could not be confirmed; this was classified as missing data. Figure 1 below presents the details of the analysis.

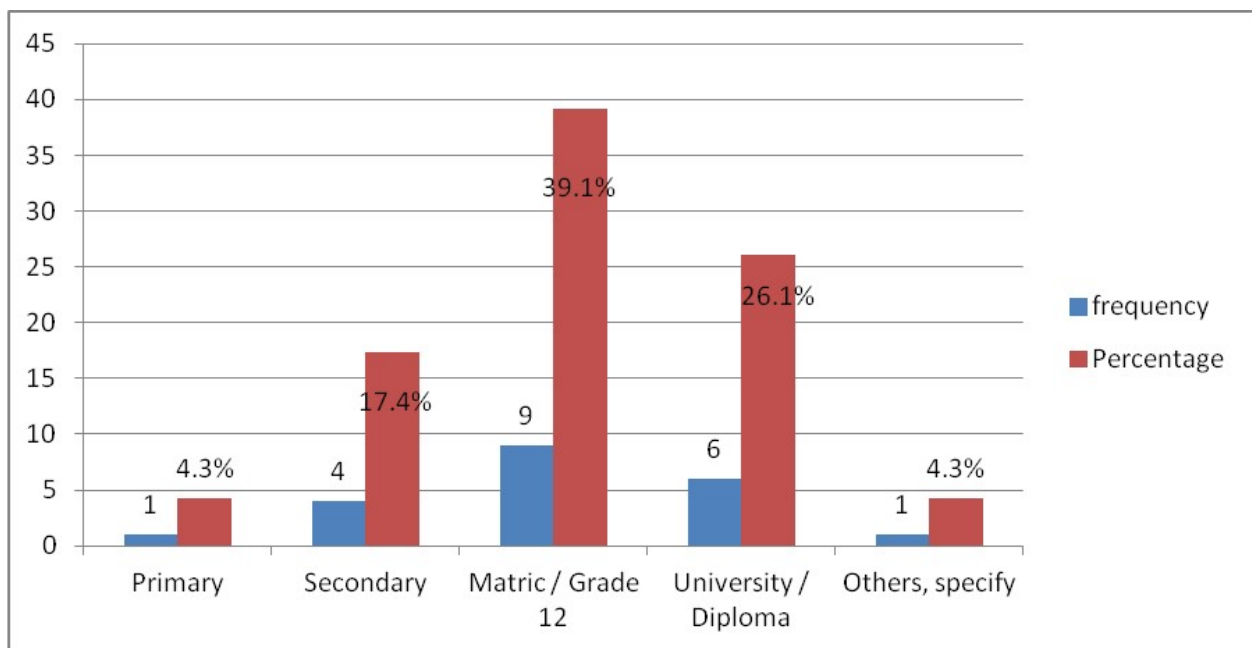


Figure 1: Educational Background

It was anticipated that based on levels of education, the respondents would be able to understand the importance of maintaining records. Unfortunately, educational background of the SMMEs did not increase the way their business records were managed, although Bowen, Morara, and Mureithi (2009) indicated that SMEs with access to formal education improve their performances of business activities. In contrast, level of education of these respondents had not increased/improved their RM practices based on lack of RM skills and inability to

maintain business records, as indicated in the next section of the paper below. However, it is possible that the SMMEs lack of RM practices may be because RM is a specialised skill that requires professional trainings.

Records Management Skills

It was important to confirm if the SMMEs managers possess skills or training that enabled them to manage business records. SMMEs managers need RM skill

in order to create, maintain, classify, use, store, retrieve and dispose business records in an efficient way. The respondents were asked if they had any skill or training in records keeping. One (4.3%) respondent said “I have an idea and knowledge on how to manage records”, while twenty (87%) of the respondents said that they did not have any

training or skills in RM or in managing business records, but two (8.7%) SMMEs managers did not respond. One of the respondents who said she did not have training said that, “all the employees look after their business records and none of them have any training on RM”. The findings below presented responses from 12 business owners and 11 managers.

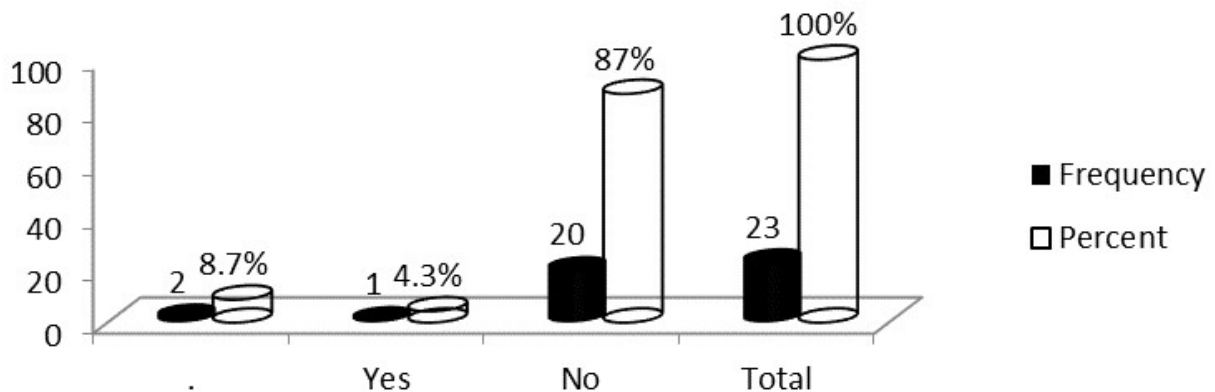


Figure 2: Training on records keeping; n=23

Training in managing business records helps in supporting decision making. Training is important in order to establish whether SMMEs managers running the business had the necessary skills and training in keeping records of business transactions. The only person who said she had knowledge of records keeping was referring to concept from accounting principle which gave her a clue of what records management meant as she studied accounting in school, but she had no records management training.

The respondents were asked if they thought it was important to receive training on how to manage records. Many of the respondents said that it was important to have training regarding business records management and some of their responses were captured below:

It is important, because if someone could show us the better ways of managing our records, it would empower us to better look after our businesses the proper way.

The responses given below were gathered from two of the interviewees:

(The first respondent) “It is important, because we have lay-by and we use the records to monitor that lay-by progression (how much have been paid, what is left to be settled, we are only using our idea to write what is happening, if we can learn other better ways through training it will be better.”

(The second respondent) “it is better for me but there is limited knowledge about how to manage the records, and there is no chance but it would be better to be trained while in the shop because there is no chance to go out; if somebody can train me better I think it would be very good for my business and I would be in a position to do my books in a better way.”

The researcher believed that those who have demonstrated little knowledge about keeping records used ideas cultivated from their educational background. This might have taught them the importance of maintaining records. It appeared that

none of the people interviewed either (SMMEs owners or employees) had received any training on how to manage records. It could be argued that none of them had any idea of what it requires to set up a records management programme. Yet, different types of records in business organisations have diverse benefits and economic importance. In South Africa, SMMEs seem to be lacking essential/basic training in RM. It appears that the SMMEs might continue to have problems related to a lack of sound RM systems, especially if those who are running SMMEs are not trained in the basic records management.

Training provides professional overview of the required knowledge that helps SMMEs to explore current practice. Okello-Obura (2012) based on the study conducted in Uganda, identified that small businesses lack appropriate training and skills in managing records. Chiware and Dick (2008) reiterated that it was important for SMMEs to get available help and advice on improving their management of financial records. The study established that SMMEs were not able to maintain or establish demarcation in their personal finances and business spending, as most of them indicated that they kept all their records together.

Types of Records Maintained by the SMMEs

The SMMEs owners and managers interviewed were asked if they maintained business records. Thirty-nine per cent (39%) of the SMMEs indicated that they were keeping business records, but this was contrary to the actual scenario based on the types of records available (see figure 3). As a follow-up question, the respondents were asked if they were aware of what is known as RM life cycle, but none

of the respondents knew what a record life cycle is. The theoretical framework dictates that business records processes be managed systematically from the creation to the final disposal. This is essential for business organisations' performances and sustainability. Judging from the types of records the SMMEs were keeping, their responses on records classification, and the lack of RM training and skills which constitute vital records management practices, it can be stated that the SMMEs lack RM practices. The SMMEs lack of training, skill and basic RM knowledge simply indicated that they were not familiar with the life cycle concept and their responses showed that there was no systemic management of business records. Nevertheless, the life cycle and continuum require systematic management of records from creation to final disposition. These SMMEs records management practices cannot be compared with the practices in developed countries where it was reported that the SMMEs had adopted systemic RM for their companies' operations, as supported by findings that the European SMMEs viewed RM as essential practices for their business stability and improved performances (Webster, Hare, and McLeod, 1999). These findings clearly show that there appears to be wide gaps between how business records were maintained in the developed economies in contrast to SMMEs in South Africa. The respondents were further asked to state or describe the types of records or books they were keeping, and based on their responses, seven categories or types of records were identified as indicated in (figure 3). However, the SMMEs that their records were categorised as "general document" used the same document to capture sales recordings, and for customer's contact detailed information.

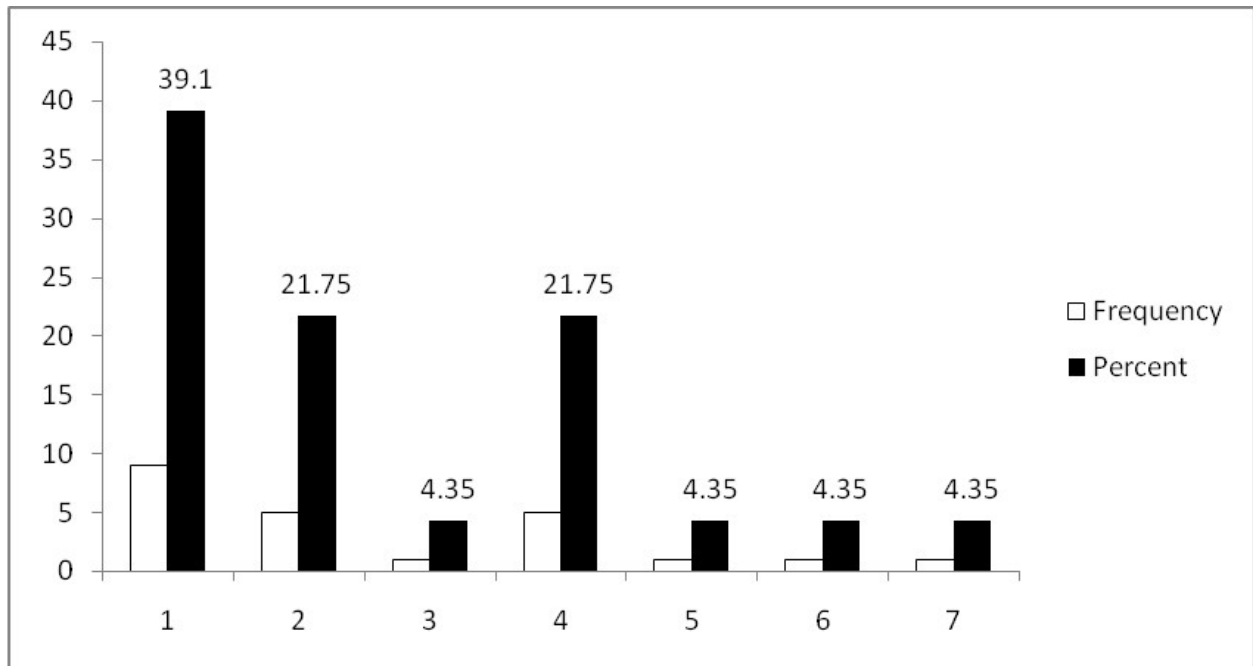


Figure 3: Types of Records Generated

1=General document; 2=Invoices; 3=Correspondence; 4=Customer Details; 5=Personnel Information; 6=Sales Figure; 7=Purchase Order

The graph in (figure 3) shows the types of records maintained by the SMMEs; and from the business process and financing perspectives, the graph represented a lack of coherent and systemic business RM. These types of records show accumulation of documents, which do not automatically translate to systematic management of business recorded information. It may represent inability of the SMMEs or incapability to provide needed information to support the business. The above might not be a justifiable evidence for regulated financial institutions granting business loans when SMMEs financial records are needed by the banks to appraise credit worthiness. It is, perhaps, because financial business transactions are evidential records often embedded in the invoices, purchase orders, and sales records which are useful to monitor market and prices fluctuation, and the SMMEs barely maintained sales records. Yet, one of the crucial selling points for SMMEs performance monitoring and evaluation is the sales figures. The findings reveal that only 4.35% maintained sales figures and purchase orders, and this alone does not depict good RM practices.

Every business requires, at least, invoices, purchase orders, and sales records to ensure accountability. These records are vital for financial institution business appraisal. These business records are essential for sales prediction, market forecast, and inventory control. This lack of financial or sales records might have explained some of the reasons why banks refused to grant loans to the small businesses, as reported by Van der Vart and Fatoki (2011) that 75% of these small-scale businesses applications to financial institutions were rejected. The lack of SMMEs managers to utilise RM for inventory control and business forecasting may be responsible for the most abrupt closure often witnessed in South Africa. This abrupt closure had placed SMEs failure rate in South Africa to be ranking among the highest in the world as reported by Bauer (2012). Business RM is vital in measuring business weekly and monthly growth trajectories, as well as quarterly and annual business performances. Maintaining these records afford SMMEs the opportunity to derive business yearly planning scorecard from this recorded information. It might be difficult to determine whether the business owners are spending business capital or profit without written cash flow evidences, financial records, and business RM that is presenting money flow which is essential for operational sustainability.

SMMEs Records Management Practices

Classification of Records

Records management compliance is vital for business operations, and it is noteworthy to know the distinct types of records maintained by the small businesses. The respondents were asked about how they classified the types of records they were keeping. Their responses show that there was no differentiation or classification of records, and thus, there were no records classifications practices. The business responses indicated that the SMMEs had no acceptable standard for records classification practices to aid viable business environments. However, only four respondents (17.4%) allowed

the researcher to access their records categorisation. It appeared then that no records classification was implemented or under practice, and it was confirmed by four respondents that they had no technical knowhow to implement business records classifications. From what was witnessed and observed during the interviews, it appeared that invoices and receipts were mixed in some cases. It was, therefore, difficult to identify payment slips, invoices and purchases receipts as they were lumped together. Three (13.45%) out of the total respondents said they classified their records as sales books. Five (21.75%) of the interviewees categorised their sales, purchases and invoice records as receipts while two respondents identified having a stock book and inventory.

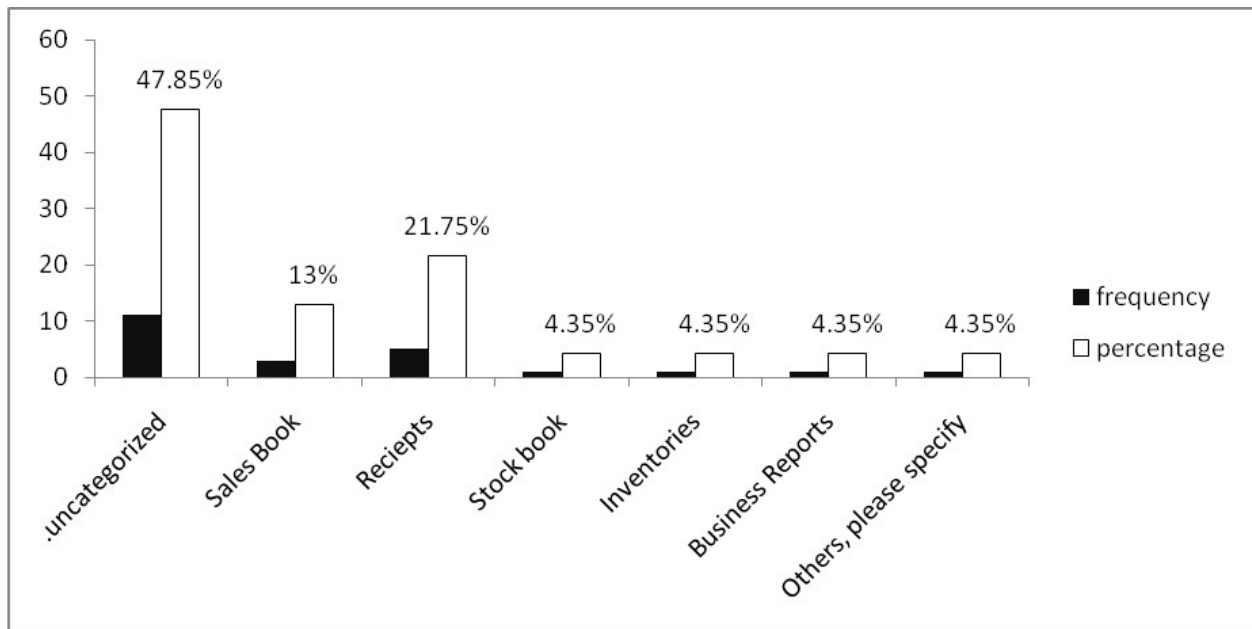


Figure 4: SMMEs Records Classification

However, records classification can promote easy identification of distinct types of records generated by the SMMEs, and classification is helpful when used in the arrangement and description of business records based on different business activities that created it. Usually, the records are arranged in a consistent and systematic way suitable to the originating provenance or company (Saul and Klett, 2008; Robinson, 1997), and it is necessary to create an automated process of appraising routine business transactional records (Saul and Klett, 2008). Twenty-two (95.7%) of the respondents indicated their

incapacity to separate their records according to business utility and transactions. Perhaps the SMMEs did not see any reason why their business records should be classified. It could be as a result of lack of required knowledge to initiate or implement records classifications as indicated by five (21.75%) respondents who indicated they lacked records classification capabilities.

However, while it appears that the SMMEs lacked the required skills to implement RM, when they were asked if they thought classification could help them make better decisions, 95.7% of the

respondents agreed that classification might improve their sales records' traceability and better business decision making. Consequently, the danger is when records are not classified, it may hinder easy access to the records which may lead to a risk of inefficiency, due to inability to trace vital business records. The question on business records classification was useful in exploring SMMEs perception on the importance of separation of invoices from receipts, sales books from stock books, purchasing order from inventories and business reports from general correspondence. The ability to identify these various business records will enable companies to make informed decisions on their transactional activities.

SMMEs in Africa need to remain competitive in this volatile economic terrain. It was reported that most of the SMMEs in advanced economies utilise RM scheduling and procedures for diverse types of business records produced. They had a system for disseminating records, such as the procedure for retrieving records, and procedure for records security. SMMEs in this advanced market have adopted established procedures for creating and maintaining, storing and disposing of records (Webster, Hare and McLeod, 1999). The findings by Borglund et al. (2009) revealed that SMMEs in Europe are mostly acquainted with the significant contributions of records to business success. These findings were contrary to the SMMEs RM practices in South Africa. However, there was a business owner who indicated that she did *separate her business finances from personal expenses without which sales records management could not be adequately achieved*. She reported as presented below that she engaged an expert service in assisting with e-filing and filing for claims refunds although for taxation purposes.

I hire a bookkeeper who helps me to manage the financial records and who helps me with an application from South Africa Revenue Services (SARS). The respondent said she get substantial refunds instead of paying more money to the tax authority.

However, another business owner reiterated that: *We need to keep*

monitoring business performance because the rent we pay on the shop is expensive, the financial records we maintain is the only way to monitor performances of each monthly sale.

It was observed that one of the biggest challenges facing SMMEs was how to maintain cash flow and keep proper records of the money movement in and out of their businesses. The inability of the SMMEs to keep an established cash book and its management could only be translated to mean an absence of financial records management as previously indicated. The respondents were also asked if they thought that RM was important to their businesses. Twenty-one respondents said yes, but one respondent said he did know, and the other one did not give any opinion. Subsequently, the respondents were requested to rate, based on their perception of the importance of RM and records infrastructure by indicating; low, moderate, very high, and not aware, but the result included those that were undecided. Ten respondents (43.4%) rated the business RM importance very high. (see figure 5). The respondents were asked if they thought that RM infrastructure was essential. Seven (30.4%) respondents indicated that RM was essential for their efficient business management. One of the interviewees said it was important, *"because it enables me to do things differently with expertise"* and another respondent said:

It contributes to our business performances and we can look at what we have done by this time last year when you look at the sales book and calculate, how much we made in the month of June of last year, and June this year and we compare how much we make in July and July this year to see how we are doing.

In contrast, four of the interviewees (17.4%) indicated that they were not aware of the importance of RM infrastructure to businesses. This may be because these respondents were not maintaining business RM. Thus, they were not trained and there were no RM experts, and the SMMEs had no formal training in records management. Hence, they may

not be aware of the needed infrastructure to maintain business records. However, lack of RM infrastructure may, in a way, unavoidably hinder their business sustainability if these companies fail to realise the importance of corporate RM, whereas

Ngulube (2011) reiterated that firms that do not ascribe importance to RM activities might suffer low return on investments (ROI). The data in (Figure 5) shows the respondents' opinions on RM infrastructure importance.

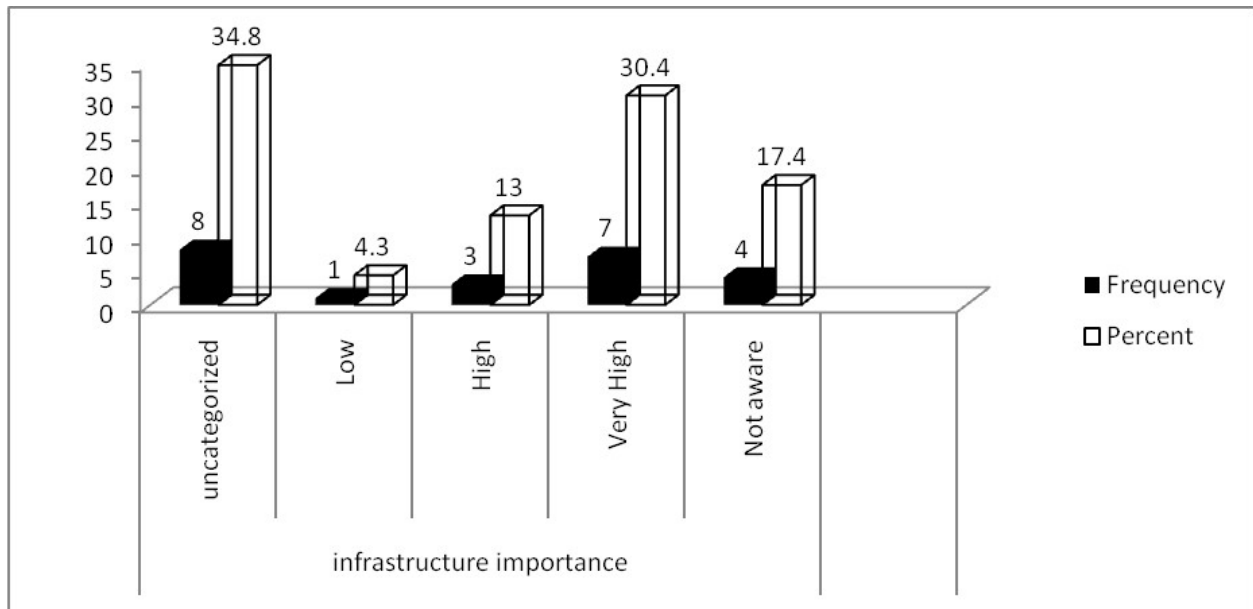


Figure 5: RM Infrastructure Importance

Records Infrastructure

There are two predominant types of records infrastructure: physical and intellectual. The physical infrastructure could be the underlying physical, organisational structure that aids systematic and logical processes of business RM such as record management policy and needed personnel for the operationalising business RM. The intellectual infrastructure may include but not limited to classification, appraisal and disposal scheduling, file plan, and required skills and training for active RM. The respondents were asked about the infrastructure available in their businesses to manage business records. None of the interviewees had either the required training or skill to support business RM. Yet it was documented that “effectiveness and efficiency of any enterprise hinge on the quality of skill used or adopted” (Kang’ethe and Ajibade, 2016:223). They were further asked if they thought it was important to have training in RM? Below were some of the excerpts from the respondents.

It is important; because we have lay-by and we use the records to monitor that lay-by progression (how much have been paid, what is left to be settled, we are only using our idea to write what is happening, if we can learn other better ways through training it will be better.

It was discovered that no business infrastructure was available to manage their transactional records. The respondents were asked if they knew what is RM policy? Unfortunately, not one of the respondents indicated that they knew what RM policy is, and all the respondents affirmed that they were not aware of any legislative requirements enforcing such RM guidelines.

Consequently, critiquing the available information on SMMEs records classification and their understanding of the RM importance as indicated in (Figures 3, 4 and 5) show “below-standard” RM requirements needed for successful business operations. It was apparent that no business

records classification existed; however, the SMMEs recognition of the importance of RM was below average but very encouraging. This recognition of the RM importance substantiated that, although most of the SMMEs owners did not maintain business records, yet, they were aware of the value embedded in the business RM practices. However, only one of the respondents had a stock book and inventory records. The finding established that human resources to facilitate SMMEs RM were severely lacking. This lack of RM skill was consistent with the results of Okello-Obura (2012) in Uganda which stated that these small businesses lacked required training in RM which is needed to run a business. Unfortunately, regarding skills to effect RM, none of the SMMEs owners neither had the training nor was any of the staff members able to provide needed technical expertise required to manage business records. However, there was an exception however of one respondent who had employed external auditor for tax settlement and claim filings, and this served as part of her record filing practices.

Regarding business sustainability, it has been argued based on the premise that RM fosters return on investment (Ngulube 2011; Makhura 2005) which is critical for performance appraisal and business sustainability trajectories. The significance of RM can be measured as cost benefits over a period, as RM might save business expenses, by reducing operating spending due to continuous ability to monitor transactions information that were recorded. However, without prior business RM classification and organisational infrastructure, cost allocation and returns or (ROI) factors might be arduous to determine. SMMEs might find it hard also to support improved decision making, and to maintain evidence of transparency and accountability with their lack of RM policy in this global business milieu. However, when RM importance is taken seriously, SMMEs owners might setup RM both physical and intellectual infrastructure that is suitable for their transactions and activities. Thus, RM practices and infrastructure may contribute to business efficiency, promote access to business information, ensure legislative compliances, and ultimately preserve market memory that is useful for risks management.

Conclusion and Recommendations

The study objectives covered the education and RM skills of the SMMEs operators, assessment of the types of records created and maintained, the SMMEs RM practices, records management infrastructure, and examining their opinions on the importance of business RM. Irrefutably, the study identified that the educational background had no direct influence on the SMMEs ability to maintain business records. The RM skills of the respondents and the knowledge or records management practices were below standard. The study confirmed that the respondents had no RM training, and did not have a system in place to enhance their records management practices. The lack of training in business RM had resulted in the lack of RM classification, which had prevented the owners from creating and monitoring sales, purchases and inventories RM. The types of records maintained by the SMMEs were sales records, invoices and purchases. The study established that there was a lack of records management practice, which might have reduced their ability to increase their return on investments and ability to monitor business performances. However, the SMMEs established that RM is relevant to their business, and the findings also established that the SMMEs acknowledged the importance of RM in improving their business operations.

There were misconceptions within the SMMEs as to what represents a document, records and what it means to be managing records. The study established that most SMMEs recognised the importance of RM to their business sustainability, but lacked the knowledge to create, manage and maintain business RM. Business RM often documents cash flows and credit records which may be used as an indicator of credit worthiness that banks could rely upon to grant SMMEs needed cash injection when applying for loans. Yet, the SMMEs still lacked the implementation of RM to facilitate their financial and accounting RM.

The SMMEs identified that RM is critical to their business sustainability, but expressed the lack of the knowledge and skills to implement records management practices. The study recommends that the training of SMMEs in RM should highlight the importance of records classification and help them

distinguish between physical and intellectual records management infrastructures. The study also recommends the need for the SMMEs to ensure and improve RM practices to enable monitoring of business performances and agile documentation of cash flow. The government may assist through Small Enterprise Development Agency (SEDA) to include RM training for small businesses, and designing and implementation of the RM system suitable for SMMEs heterogeneity. It is envisaged for future studies that the service-oriented design may be adopted/considered to facilitate RM system for SMMEs as it has the potential to improve SMMEs RM practices, especially enabling e-records business agility.

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