

INTEGRATING ACCOUNTING INFORMATION TECHNOLOGY INTO POSTGRADUATE BUSINESS CURRICULA TO REDUCE SMALL AND MEDIUM ENTERPRISE FAILURE IN NIGERIA

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Abstract

This position paper addresses the critical issue of high Small and Medium-sized Enterprise (SME) failure rates in Nigeria, attributing a significant portion of these failures to inadequate accounting competencies among entrepreneurs. Drawing upon existing literature and recent research, this paper argues for the urgent and comprehensive integration of Accounting Information Technology (AIT) competencies into postgraduate business education curricula in Nigeria. By equipping future entrepreneurs with advanced digital accounting skills, such as proficiency in digital accounting software, cloud accounting, and data analytics, the paper posits that the sustainability and growth of Nigerian SMEs can be significantly enhanced, thereby contributing to national economic development and job creation.

Keywords: Accounting Information Technology (AIT), Entrepreneurship, Small, Medium-sized Enterprises (SMEs), Nigeria, Postgraduate Business Education

Introduction

Entrepreneurship is widely recognized as a vital engine for economic growth, job creation, and poverty reduction in Nigeria (Ademiluyi, 2007). It involves the innovative combination of resources and opportunities to meet identified needs and create wealth (Ighalo, 2011). However, despite its immense potential, the Nigerian entrepreneurial landscape is plagued by a high rate of SME failures. Studies consistently show that a significant percentage of new businesses in Nigeria do not survive beyond their first five years of operation (Abraham, 2020) (Mohac Africa, 2026). A key factor contributing to this alarming trend is the perceived lack of adequate accounting competencies among entrepreneurs (Mong & Okolocha, 2021).

Traditional accounting skills, while fundamental, are increasingly insufficient in a rapidly evolving digital business environment. The advent of Accounting Information Technology (AIT) has transformed financial management, demanding a new set of skills from modern entrepreneurs. This paper takes the position that to effectively address the challenges faced by Nigerian SMEs and foster a robust entrepreneurial ecosystem, there must be a deliberate and systematic effort to enhance AIT competencies among postgraduate business education students. This will empower them to navigate complex financial landscapes, make informed decisions, and ultimately ensure the sustainability and growth of their ventures.

Small and Medium Enterprises (SMEs) are widely recognised as the backbone of the Nigerian economy, accounting for approximately 96% of all businesses, 84% of employment, and contributing nearly 48% to the national Gross Domestic Product annually (Financial Reporting Council of Nigeria & Lagos Chamber of Commerce and Industry, 2025). Despite their critical role in fostering innovation, providing livelihoods, and reducing unemployment, Nigerian SMEs face an alarmingly high mortality rate. According to the Financial Reporting Council of Nigeria (2025), over 50% of Micro, Small and Medium Enterprises (MSMEs) fail within their first year of operation, while more than 95% fail within their first five years of existence. Between 2023 and 2024 alone, approximately 7.2 million MSMEs—representing 30% of Nigeria’s 24 million registered enterprises—shut down, resulting in an estimated ₦94 trillion economic loss from business closures and multinational divestments (Nigerian Economic

Summit Group, 2025). These statistics underscore the urgent need to address the structural vulnerabilities that undermine SME sustainability.

While policymakers and scholars have frequently attributed SME failures to macroeconomic factors such as limited access to finance, poor infrastructure, multiple taxation, and regulatory uncertainty (Financial Reporting Council of Nigeria, 2025; Moniepoint Microfinance Bank, 2024), a growing body of evidence points to an equally critical but often overlooked determinant: inadequate accounting and financial management competencies among entrepreneurs. Research has consistently demonstrated that poor cash flow management, weak financial record-keeping, failure to separate personal and business expenses, and inability to prepare basic financial statements are pervasive deficiencies among Nigerian SME owners (Shehu, 2025; Offor, 2025). A systematic review of entrepreneurial accounting literature further confirms that accounting skills are not merely administrative tools but constitute “the heart of business ventures’ sustainability,” particularly in developing economies in Asia and Africa (Mustapha et al., 2023, p. 15).

The digital transformation of accounting practices has intensified the competency gap. Modern business environments increasingly require proficiency in Accounting Information Systems (AIS), cloud accounting platforms, digital invoicing, and data analytics to achieve operational efficiency, real-time financial reporting, and regulatory compliance (Sulaiman & Usman, 2025). A study examining digitalised accounting information systems in Ilorin found that AIS adoption, automation, and employee competency significantly and positively predict operational efficiency among SMEs, with employee competency exerting the strongest effect ($\beta = 0.364$, $p < 0.001$) (Journal of Digital Accounting Research, 2025). However, adoption of cloud accounting among Nigerian SMEs remains limited due to concerns over data security, internet access, implementation costs, and—most critically—a lack of technical expertise (Cloud Accounting Research Group, 2025). This digital divide means that many SMEs remain “digitally invisible” to formal credit markets, as they lack verifiable digital records of cash flow, thereby perpetuating their exclusion from affordable financing (Ekechi, 2024, para. 22).

The absence of digital accounting competencies is not merely a skills gap; it is a structural impediment that compounds other SME challenges. Entrepreneurs who lack proficiency in digital accounting tools cannot generate the reliable financial data required to attract investors, secure loans, manage tax obligations efficiently, or make informed strategic decisions (Mustapha et al., 2023). Consequently, even when government intervention funds and bank loans are available, many SMEs are unable to access them because they cannot produce credible, digitally verifiable financial records (Ekechi, 2024). This situation calls for a fundamental reorientation of entrepreneurial education in Nigeria—one that moves beyond basic bookkeeping and equips future business owners with the advanced accounting technology skills demanded by the twenty-first-century economy.

Postgraduate business education represents a strategic and underutilised lever for addressing this competency deficit. MBA and Master’s in Entrepreneurship programmes are ideally positioned to integrate Accounting Information Technology (AIT) competencies—including proficiency in digital accounting software, cloud-based collaboration tools, and financial data analytics—into their curricula. By targeting postgraduate students who either are already operating SMEs or intend to launch ventures upon graduation, such curricular reforms can produce a pipeline of digitally competent entrepreneurs capable of implementing robust financial management systems from the outset. This approach aligns with recommendations from recent studies that policymakers should finance targeted AIS training and subsidised cloud accounting packages for SMEs (Journal of Digital Accounting Research, 2025) and that entrepreneurial accounting skills should form part of funding requirements for start-ups (Mustapha et al., 2023).

Therefore, this position paper argues for the urgent and comprehensive integration of Accounting Information Technology competencies into postgraduate business education curricula in Nigeria. Drawing upon existing literature and recent empirical research, we contend that equipping future entrepreneurs with advanced digital accounting skills will significantly enhance SME sustainability and growth, thereby contributing to national economic development and job creation. The paper proceeds as follows: first, we review the literature on SME failure rates and accounting competency deficits in Nigeria; second, we analyse the role of AIT competencies in improving financial management and

operational performance; third, we propose a framework for integrating AIT into postgraduate business curricula; and finally, we discuss policy implications and recommendations for universities, government agencies, and private sector stakeholders.

Entrepreneurship and Business Education in Nigeria

In 2006, the Nigerian government introduced a landmark policy requiring entrepreneurship education to be made mandatory across all disciplines in Nigerian universities, aimed at addressing widespread youth unemployment and fostering self-reliance among graduates. This policy, implemented through the National Universities Commission (NUC), was designed to equip students with enterprise skills and shift graduate mindsets from job-seeking to job creation. Since then, similar provisions have been extended to colleges of education and polytechnics, embedding entrepreneurship as a compulsory component of the national education framework. The overarching goal has been to reduce the persistent mismatch between formal education outcomes and labour market demands—a gap reflected in statistics showing that 53 per cent of secondary school graduates remain unemployed five years after graduation.

Entrepreneurship in Nigeria is characterized by its role in job creation, community development, and wealth generation (Ademiluyi, 2007). It offers individuals the freedom to innovate and contribute to the economy (Ighalo, 2011). Business education programs are designed to equip individuals with the necessary skills for employment, business establishment, and management (Babalola, Dambo, & Bupo, 2019). A core component of business education is accounting, which provides the capacity and knowledge required for preparing and managing financial records (Ekwe & Abuka, 2014). Accounting competencies, such as bookkeeping, financial reporting, budgeting, and financial analysis, are considered indispensable for successful business operations (Etifit, Eminue, & Udoh, 2016).

Challenges Faced by Nigerian SMEs

Despite the emphasis on business education, Nigerian SMEs face numerous challenges, leading to their frequent collapse. Research indicates that approximately 50% to over 95% of new businesses fail within their first five years (Abraham, 2020) (Mohac Africa, 2026). This high failure rate is often attributed to a lack of relevant competencies for effective entrepreneurship (Mong & Okolocha, 2021). Specifically, inadequate financial management and accounting competencies have been identified as major reasons for business failure (Anyanwu & Agu, 2019) (Okafor & Onodugo, 2019). Entrepreneurs often struggle with preparing tax codes, setting up currency in business management, and generally lack the accounting knowledge and skills to effectively manage their businesses (Okoro, 2013) (Akanisi, 2012). This deficiency prevents them from accessing necessary funding and managing resources efficiently (Adebayo & Fagbemi, 2020).

The Imperative of Accounting Information Technology (AIT)

The global business environment is undergoing rapid digital transformation, making AIT competencies crucial for modern enterprises. AIT encompasses the use of information systems, software, and digital tools to manage financial data and processes. These technologies offer significant advantages, including improved efficiency, transparency, real-time reporting, and enhanced decision-making capabilities (Adebayo, 2023) (Andayani, 2026).

Key Accounting Information Technology (AIT) Competencies

For Nigerian entrepreneurs, essential AIT competencies include:

- i. **Digital Accounting Software Proficiency:** Skills in using software like QuickBooks, Tally, or Peach Tree for bookkeeping, invoicing, payroll, and financial reporting (Adeniyi, 2025).
- ii. **Cloud Accounting:** The ability to utilize cloud-based platforms for financial management, offering benefits such as accessibility, data security, and scalability (Hossain, 2025).

- iii. **Data Analytics for Accounting:** Applying data analysis techniques to financial data to identify trends, forecast performance, and support strategic decision-making (Nuhu, 2024).
- iv. **Cybersecurity in Accounting:** Understanding and implementing measures to protect financial data from cyber threats, crucial for maintaining trust and compliance.

Impact of AIT on SME Survival and Growth

Integrating AIT into SME operations can significantly mitigate the challenges leading to business failure. Digital accounting tools streamline financial processes, reduce errors, and provide accurate, up-to-date financial information (Adewale et al., 2022). Cloud accounting facilitates remote access and collaboration, which is particularly beneficial for small businesses with limited resources (Hossain, 2025). Furthermore, proficiency in AIT enables entrepreneurs to leverage technology for better financial planning, resource allocation, and risk management, all of which are critical for sustainable growth (Adebayo & Fagbemi, 2020). Studies have shown that the adoption of digital accounting skills positively influences entrepreneurial intentions and the sustainability of SMEs (Adeniyi, 2025) (Nuhu, 2024).

Current State of AIT Competencies among Postgraduate Business Education Students

The current business education curriculum in Nigeria, while addressing traditional accounting, often falls short in adequately preparing graduates with the AIT competencies demanded by the modern entrepreneurial landscape. Observations and literature suggest a gap between the accounting skills taught and the practical needs of the industry (Akanisi, 2012) (Makinde Kazeem, 2021). Postgraduate business education students, who are expected to become future entrepreneurs and business leaders, often lack the advanced digital accounting skills necessary for self-sustainability and effective business management (Wogboroma, 2022). This deficiency contributes to the cycle of business failures and unemployment among graduates (Mong & Okolocha, 2021).

The original article highlights this concern by proposing to assess the accounting competencies possessed by postgraduate university business education students to handle entrepreneurship business challenges in Nigeria, focusing on areas like record-keeping, financial accounting, management accounting, cost accounting, and financial auditing (Okoro, 2014). While these are crucial, the emphasis on the *technological application* of these competencies, i.e., AIT, is paramount for relevance in today's digital economy.

Position

This paper asserts that the current postgraduate business education curriculum in Nigeria must undergo a significant transformation to prioritize and comprehensively integrate Accounting Information Technology (AIT) competencies. The persistent high failure rate of SMEs in Nigeria, largely due to inadequate financial management and accounting skills, underscores the urgent need for this shift. By proactively equipping postgraduate students with advanced AIT skills, educational institutions can directly contribute to fostering a more resilient, innovative and sustainable entrepreneurial ecosystem.

This integration should move beyond theoretical knowledge to practical application, ensuring that graduates are not only familiar with AIT tools but are also proficient in their use for real-world business challenges. This strategic enhancement of the curriculum will bridge the existing competency gap, making business education graduates more competitive and capable of driving successful entrepreneurial ventures in Nigeria.

Recommendations

To achieve the comprehensive integration of AIT competencies into postgraduate business education in Nigeria, the following recommendations are put forth:

- 1 **Curriculum Review and Update:** Universities and other business education institutions should urgently review and update their postgraduate curricula to include mandatory courses and practical training modules on AIT. This should cover digital accounting software, cloud accounting platforms, data analytics for financial decision-making, and cybersecurity in accounting.
- 2 **Faculty Development:** Invest in continuous professional development for faculty members to ensure they are proficient in the latest AIT tools and methodologies. This can be achieved through workshops, certifications, and collaborations with industry experts.
- 3 **Industry-Academia Collaboration:** Foster stronger partnerships between educational institutions and the business industry. This can facilitate internships, mentorship programs, and guest lectures by experienced professionals, providing students with practical exposure to AIT in real-world settings.
- 4 **Provision of Modern Infrastructure:** Ensure that educational institutions have access to modern computing facilities, up-to-date accounting software, and reliable internet connectivity to support hands-on AIT training.
- 5 **Emphasis on Practical Application:** Shift the focus from purely theoretical knowledge to practical, project-based learning. Students should be engaged in simulations, case studies, and real-world projects that require the application of AIT skills to solve entrepreneurial challenges.
- 6 **Policy Support:** Government and regulatory bodies should develop policies that incentivize the adoption of AIT in business education and provide support for institutions to implement these changes.

Conclusion

The future of entrepreneurship in Nigeria hinges on the ability of its business leaders to adapt to the digital age. The high rate of SME failures underscores a critical gap in accounting competencies, particularly in the realm of Accounting Information Technology. By making AIT competencies a cornerstone of postgraduate business education, Nigeria can cultivate a new generation of entrepreneurs equipped with the skills to build and sustain successful businesses. This strategic investment in human capital will not only reduce business failures but also unlock the full potential of entrepreneurship to drive national economic prosperity and create a more vibrant economy.

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