ASSESSING THE MODERATING ROLE OF FINANCIAL LITERACY ON THE RELATIONSHIP BETWEEN E-ACCOUNTING ADOPTION AND FINANCIAL PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN ELDORET CITY

Bernard Kamorok Keino.
Kisii University, Kenya.
Dr. Francis Nyarombe, (PhD).
Kisii University, Kenya.
Dr. Cornelius Kurere.
Kisii University, Kenya.

International Academic Journal of Economics and Finance (IAJEF) | ISSN 2518-2366

Received: 30th May 2025

Published: 1st July 2025

Full Length Research

Available Online at: https://iajournals.org/articles/iajef_v5_i1_96_108.pdf

Citation: Keino, B. K., Nyarombe, F., Kurere, C. (2025). Assessing the moderating role of financial literacy on the relationship between e-accounting adoption and financial performance of small and medium enterprises in Eldoret city. *International Academic Journal of Economics and Finance (IAJEF) | ISSN 2518-2366, 5*(1), 96-108.

ABSTRACT

This study aims to assess the moderating role of financial literacy on the relationship between e-accounting adoption and financial performance among Small and Medium Enterprises (SMEs) in Eldoret City, Kenya. Recognizing SMEs as vital contributors to economic growth and employment, the research addresses the gap in understanding how digital financial tools influence business outcomes in a developing country context. Using a sample of 421 SMEs selected through stratified random sampling, data was collected via structured questionnaires and analyzed through regression models. Results reveal that 77% of respondents actively use e-accounting to manage financial records, with a mean rating of 3.87 on a 5-point Likert scale, indicating strong adoption. Additionally, 78.5% of SMEs possess adequate financial literacy, with a mean score of 3.91, which significantly moderates the positive impact of e-accounting on financial performance (β=0.180; $p<0.05$). The findings demonstrate that increased e-accounting practices are associated with improved financial outcomes, highlighting the importance of financial literacy in maximizing digital tools' benefits. Based on these insights, the study recommends policymakers and financial institutions enhance digital literacy through targeted training, promote supportive policies such as tax incentives, and improve digital infrastructure to foster sustainable growth of SMEs in Eldoret City.

Keywords: E-Accounting, Financial Literacy, Smes, Financial Performance, Digital Adoption.

INTRODUCTION

Small and Medium Enterprises (SMEs) are widely recognized as vital drivers of economic growth, employment creation, and innovation, particularly in developing countries such as Kenya (World Bank, 2020). Despite their significant contribution to national economies, SMEs often face numerous challenges related to financial management, access to credit, and operational efficiency, which can hinder their growth and sustainability (Kinyua et al., 2019). In recent years, the advent of digital technologies has transformed traditional business practices, offering new opportunities for SMEs to enhance their financial performance through the adoption of electronic financial services (EFS). Among these, e-accounting has emerged as a critical tool that facilitates accurate record-keeping, real-time financial analysis, and improved decision-making (Martínez-Fernández et al., 2021).

E-accounting systems enable SMEs to automate financial processes, reduce errors, and enhance transparency, thereby potentially improving their overall financial health (García et al., 2022). However, the effective utilization of e-accounting is often contingent upon the financial literacy of entrepreneurs and managers, which influences their ability to leverage digital tools effectively (Shbeilat & Al-Hajaia, 2022). Recognizing this, recent studies have underscored the importance of financial literacy as a moderating factor that can amplify or impede the positive impact of e-accounting on financial performance (Rahale et al., 2024).

In the context of Eldoret City, a rapidly growing commercial hub in Kenya, SMEs constitute a significant segment of the local economy. Despite increased access to digital infrastructure, the extent to which SMEs in Eldoret have adopted e-accounting and how this adoption influences their financial outcomes remains underexplored. Furthermore, understanding the role of financial literacy in this relationship is crucial for designing interventions that can maximize the benefits of digital financial practices among SME operators.

This study seeks to fill this gap by investigating the effect of e-accounting on the financial performance of SMEs in Eldoret City, with a particular focus on assessing the moderating role of financial literacy. By examining these dynamics, the research aims to provide valuable insights for policymakers, financial institutions, and SME practitioners striving to harness digital tools for sustainable growth.

Statement of the Problem

Small and Medium Enterprises (SMEs) are crucial contributors to economic development, employment creation, and poverty alleviation in Kenya, including Eldoret City. Despite their significance, many SMEs face persistent challenges related to financial management, which limit their growth and sustainability (Kinyua et al., 2019). The advent of digital financial technologies, such as e-accounting systems, has presented opportunities for SMEs to improve their financial record-keeping, decision-making, and overall performance (Martínez-Fernández et al., 2021). However, the extent to which SMEs in Eldoret city have adopted e-accounting practices remains unclear, and their actual impact on financial performance is yet to be fully understood.

Previous studies in different contexts have shown mixed results regarding the effectiveness of e-accounting on SMEs' financial outcomes. Some research indicates significant improvements in efficiency, accuracy, and profitability (Brown & O'Neill, 2022; Wang & Li, 2022), while others highlight barriers such as lack of technical skills, high implementation costs, and resistance to change that hinder realization of these benefits (Sari et al., 2023; Mendes & Costa, 2023). Moreover, the role of moderating factors, particularly financial literacy, has been identified as critical in influencing how effectively SMEs leverage e-accounting systems to enhance their financial performance (Rahahleet al., 2024).

In Eldoret city, despite the increasing availability of digital infrastructure and financial services, there is limited empirical evidence on how e-accounting adoption influences SME financial performance, and whether financial literacy enhances this relationship. This knowledge gap hampers the formulation of targeted interventions and policies aimed at promoting digital financial literacy and technology adoption among SME operators. Therefore, there is a need to investigate the relationship between e-accounting adoption and financial performance of SMEs in Eldoret, with particular attention to the moderating role of financial literacy, to inform strategies that can foster sustainable growth in this vital sector.

LITERATURE REVIEW

E-Accounting on financial Performance of Small and Medium Enterprise

Research by Martínez-Fernández et al. (2021) utilized a quantitative method, analyzing survey data from SMEs in Spain to examine the relationship between e-accounting adoption and financial performance indicators such as profitability and cash flow management. Their results indicated that SMEs using e-accounting systems experienced notable gains in financial performance, mainly due to improved efficiency and greater accuracy in financial reporting. Similarly, García et al. (2022) conducted a case study to explore how e-accounting influences decision-making in SMEs, emphasizing that access to real-time financial data helped improve strategic planning and resource management.

However, findings across various studies have been inconsistent. Sari et al. (2023), employing a qualitative approach involving interviews with SME owners, discovered that although many SMEs adopted e-accounting, the expected enhancements in financial performance were not consistently realized. Challenges such as insufficient training and employee resistance to change were identified as barriers to effective system implementation. This suggests that the benefits of e-accounting are highly dependent on organizational readiness and acceptance. Additionally, a meta-analysis by Nascimento et al. (2023) highlighted that the impact of e-accounting varies significantly by industry sector, with some sectors experiencing greater financial improvements than others. This variability adds complexity to understanding how e-accounting influences SME performance.

These mixed results emphasize the importance of contextual factors such as organizational culture, employee engagement, and industry-specific characteristics when evaluating e-accounting's effect on financial outcomes. As technology continues to evolve, more longitudinal and sector-specific research is needed to clarify the nuanced relationship between e-accounting practices and financial performance in SMEs.

Supporting this, Brown and O'Neill (2022) surveyed over 300 SMEs in the United States and found a positive link between e-accounting adoption and improvements in financial metrics like reporting efficiency and operational cost reduction. Their regression analysis indicated that increased use of e-accounting correlated with higher productivity and profitability. Conversely, Zhang et al. (2023), through a mixed-methods study in Canada, found only slight improvements in financial performance, with qualitative data revealing barriers such as

inadequate training and low technological literacy among staff that hampered full utilization of e-accounting systems.

Further sectoral analysis by Smith and Jacobson (2023) showed that e-accounting's impact varies across industries, with manufacturing firms reaping more substantial financial benefits compared to retail or service-based SMEs. This suggests that internal company dynamics and industry type influence the success of e-accounting implementation. Meta-analyses by Garcia and Taylor (2023) also noted that many SMEs saw only modest financial gains due to challenges like high initial costs and resistance to adopting new technologies.

These conflicting findings illustrate the complexity of the relationship between e-accounting adoption and financial performance, highlighting that success depends on factors such as organizational context, industry specifics, and employee readiness to embrace digital tools. Further research is essential to better understand how these variables interact to influence outcomes.

In Kenya, recent studies on e-accounting's effects on SMEs have produced mixed results. Mwanzia and Karanja (2023), through a survey of 250 SMEs in urban areas, found a positive association between e-accounting use and improved financial performance, particularly in revenue growth and cost efficiency, supported by regression analysis. In contrast, Otieno and Juma (2023) interviewed 30 SME owners in Nairobi, revealing significant challenges such as inadequate technical support, high software costs, and data security concerns, which hinder effective implementation and limit benefits.

Additionally, Waweru and Kipkoech (2023) examined SMEs across different sectors and found that, although quantitative data showed improvements in financial reporting and operational efficiency, qualitative feedback revealed mixed experiences. Some SME owners experienced increased satisfaction and financial gains, while others faced difficulties due to insufficient training and support, resulting in inconsistent outcomes. These findings highlight that while e-accounting can potentially improve business performance, barriers related to implementation and support need to be addressed to fully realize these benefits within the Kenyan SME landscape.

RESEARCH METHODOLOGY

The study adopted an explanatory research design to systematically investigate the relationship between e-accounting adoption and the financial performance of SMEs in Eldoret City, with a particular focus on the moderating role of financial literacy (Creswell & Creswell, 2022; McDonald & Kelloway, 2021). This design facilitated hypothesis testing and enabled the exploration of causal relationships between independent variables such as e-accounting, e-banking, e-credit, and e-payment and the dependent variable, SME financial performance. It also provided a framework for analyzing whether variations in these electronic financial services significantly influence business outcomes over time (Mertens & Hesse-Biber, 2020).
The research was conducted within Eldoret, Kenya's fifth-largest city and a prominent commercial hub in the Rift Valley, characterized by a diverse and growing SME sector.

Eldoret's strategic location at the intersection of multiple counties such as Elgeyo Marakwet, Trans Nzoia, Bungoma, Kakamega, Nandi, and Baringo, along with its supportive infrastructure, made it an ideal setting for examining how access to electronic financial services impacts SME performance. This setting also allowed for an assessment of the influence of local factors like educational initiatives and community awareness programs on financial literacy levels among entrepreneurs (Kenya National Bureau of Statistics, 2023).

The target population comprised 8,233 SMEs in Eldoret, selected purposively to include managers or owners at a higher management level capable of providing objective and comprehensive data regarding their firms' use of electronic financial services and financial performance (Uasin Gishu County, Ministry of Trade, 2024). The population was stratified based on business types into six categories: grocery/retail stores, hospitality and health services, transport and communication, vendors and service providers, agriculture, and manufacturing and professional services .

A stratified random sampling technique was employed to ensure proportional representation across the different sectors. This method was chosen because of the considerable variation within the population, and it facilitated adequate representation of each subgroup, thus enhancing the generalizability of findings (Zikmund et al., 2010; Lohr, 2021). The sample size was calculated using Yamane's (1972) formula, which is widely accepted for determining sample sizes in survey research, with an added adjustment for potential non-response (Slovin, 2018). The initial sample size was determined as 382 respondents, based on a confidence level of 95% and a margin of error of 5% (E = 0.05):

Formular

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{8233}{1 + 8233(0.05)^2}$$

$$n = \frac{8233}{21.58}$$

$$n = 382$$

Where;

n= is the required sample size

N= is the population size (8233)

E- Sets the accuracy of the sample proportions (set to 0.05).

As a result, 382 people was chosen at random from a population of 8233 SMEs.

To compensate for non-response, an additional 10% was added, resulting in a final sample size of 421 respondents (Bujang, 2021). The sample was proportionally allocated across the strata based on their representation in the population (Table 3.2).

Data collection involved administering structured questionnaires through trained research assistants. The questionnaires were designed with Likert scale items to measure variables such as the extent of e-service usage, financial literacy levels, and SME financial performance. Pilot

testing was conducted in Kitale Town with a sample of 10% of the initial respondents to validate the instrument's reliability and validity, following established standards (Connelly, 2008; Mahajan & Singh, 2022). Respondents from the pilot were excluded from the main study to prevent bias.

To ensure measurement validity, content validity was established through expert reviews, and construct validity was assessed via Confirmatory Factor Analysis (CFA) to verify the relationships among latent constructs such as electronic services, financial literacy, and performance (Brown, 2015). Content Validity Ratio (CVR) was calculated based on expert evaluations to confirm the relevance of items (Lawshe, 1975). Criterion validity was examined by correlating questionnaire measures with established financial performance indicators, using regression analysis to assess predictive power (Cohen, 2018). Face validity was further supported through expert reviews and cognitive interviews to ensure clarity and relevance of items (Polit & Beck, 2012).

Reliability of the instruments was tested using Cronbach's alpha, with all scales exceeding the threshold of 0.7, indicating satisfactory internal consistency (Tavakol & Dennick, 2011). Values ranged from 0.749 to 0.805, confirming the reliability of the measures (Eisinga et al., 2013).

Data analysis involved both descriptive and inferential statistics. Descriptive analysis summarized demographic information and response patterns using frequencies, percentages, means, and standard deviations (SPSS). Inferential analysis employed correlation to assess relationships among variables, multiple regression to evaluate the direct effect of electronic financial services on financial performance, and hierarchical regression to examine the moderating effect of financial literacy (Field, 2013). Prior to data collection, ethical considerations were strictly observed. Data collection was conducted face-to-face, with questionnaires administered by trained research assistants to ensure accuracy and adherence to ethical standards.

RESULTS AND DISCUSSION

Descriptive statistics of e-accounting on the financial performance of SMEs

The study sought to determine the effect of e-accounting on the financial performance of small and medium enterprise in Eldoret City, Kenya. The study findings are presented in Table 4.1

Table 4.1: E-accounting on the Financial Performance of SMEs

Statement		SD	D	U	A	SA	Mean	Stdv
1. I use e-accounting to manage financial records	F	23	33	18	137	110	3.87	1.20
	%	7.2	10.3	5.6	42.7	34.3		
2. I use e-accounting to generate accurate financial statements that support better decision-making.	F	26	31	14	144	106	3.85	1.21
	%	8.1	9.7	4.4	44.9	33.0		
3. I use e-accounting to identify financial trends and anomalies faster than traditional methods.	F	25	30	17	146	103	3.85	1.20
	%	7.8	9.3	5.3	45.5	32.1		
4. I use e-accounting systems to improve the efficiency of monthly reconciliations in my business.	F	20	32	25	139	105	3.86	1.16
	%	6.2	10.0	7.8	43.3	32.7		
5. I use e-accounting to submit tax reports more efficiently and on time.	F	26	39	14	146	96	3.77	1.23
	%	8.1	12.1	4.4	45.5	29.9		

Key: Mean (0-1.4) =Strongly Disagree, Mean (1.5-2.4) =Disagree, Mean (2.5-3.4) =Undecided, Mean (3.5-4.0) = agreed, Mean (4.5-5.0) = strongly agree.

Based on the data in Table 4.1, the descriptive statistics for e-accounting indicated that 247 respondents (77.0%) agreed that they use e-accounting to manage their financial records, while 56 respondents (17.5%) disagreed. The overall mean rating for this statement was 3.87, with a standard deviation of 1.20. These findings align with Alfartoosi and Jusoh (2021), who noted that e-accounting influences the internal monitoring system, suggesting that an effective domestic monitoring structure can lead to improved performance.

Additionally, 250 respondents (77.9%) agreed, whereas 57 respondents (17.8%) disagreed, that e-accounting is employed to generate accurate financial statements that support better decision-making. The mean rating for this aspect was 3.85, with a standard deviation of 1.21. This supports Rahahle et al. (2024), who found that all aspects of e-accounting systems such as system quality, information quality, and service quality have a significant positive effect on firm performance. Furthermore, 249 respondents (77.6%) agreed that e-accounting helps identify financial trends and anomalies more rapidly than traditional methods, while 55 respondents (17.1%) disagreed. The participants' mean rating was 3.85, with a standard deviation of 1.20. These results are consistent with Katamba (2019), who observed that external auditors in Tanzania utilize technologies such as office automation, audit automation, networking, data transfer, e-commerce, and intrusion detection systems to enhance their processes.

Similarly, 244 respondents (75.0%) agreed that e-accounting systems improve the efficiency of monthly reconciliations in their businesses, whereas 52 respondents (16.2%) disagreed. The mean rating was 3.86, with a standard deviation of 1.16. These findings correspond with Soudani (2013), who indicated that implementing e-accounting systems in companies positively impacts financial performance by strengthening internal control systems, with risk measures closely linked to internal controls influencing e-accounting adoption.

Finally, 242 respondents (75.4%) agreed that e-accounting facilitates the more efficient and timely submission of tax reports, while 65 respondents (20.2%) disagreed. The mean rating for this statement was 3.77, with a standard deviation of 1.23. These results agree with Decman, Mališ, and Sacer (2019), who highlighted that the adoption of cloud computing has significantly driven digital transformation in accounting, bringing notable changes to taxation processes in the digital era.

Descriptive statistics of financial literacy

The study also aimed to evaluate the impact of financial literacy on the financial performance of small and medium enterprises in Eldoret City, Kenya. The findings are summarized in Table 4.2.

Table 4.2: Financial literacy on the financial performance of SMEs.

Statement		SD	D	N	A	SA	Mean	Stdv
1. I have the knowledge to use electronic accounting platforms to manage my business finances.	F	22	35	12	132	120	3.91	1.21
	%	6.9	10.9	3.7	41.1	37.4		

Key: Mean (0-1.4) =Strongly Disagree, Mean (1.5-2.4) =Disagree, Mean (2.5-3.4) =Neutral, Mean (3.5-4.0) = agreed, Mean (4.5-5.0) = strongly agree.

The descriptive statistics on financial literacy, as shown in Table 4.2, indicate that 252 respondents (78.5%) agreed that they possess the necessary knowledge to effectively utilize

electronic accounting platforms for managing their business finances. Conversely, 57 respondents (17.8%) disagreed, indicating they do not feel confident in their ability to use such platforms effectively. Furthermore, the overall findings suggest that respondents generally agree on their proficiency with electronic accounting platforms, with a mean rating of 3.91 and a standard deviation of 1.21.

Previous research by Shbeilat and Al-Hajaia (2022) identified several key barriers to the adoption and use of Electronic Accounting systems (EAs), including the costs associated with implementing EAs, the need for qualified personnel to operate them, and a lack of interest and awareness regarding e-commerce culture.

Conclusion

E-accounting on the Financial Performance of SMEs

The first objective of the study was to assess the influence of e-accounting on the financial performance of small and medium enterprises (SMEs) in Eldoret City, Kenya. Respondents were asked to share their views on how e-accounting has impacted their business operations. The findings revealed that most respondents perceive e-accounting as beneficial; specifically, the descriptive statistics for five statements related to e-accounting use demonstrated positive perceptions. All five statements received mean scores above 3.75 on a 5-point Likert scale, indicating a tendency toward agreement. The mean scores ranged from 3.77 to 3.87, with the highest score (3.87) associated with the statement "I use e-accounting to manage financial records," highlighting the widespread use and importance of digital financial record-keeping among SME owners in Eldoret City. Similarly, the statements regarding generating accurate financial statements (mean = 3.85), identifying financial trends and anomalies (mean = 3.85), and improving the efficiency of monthly reconciliations (mean = 3.86) also received strong support, underscoring the perceived role of e-accounting in enhancing financial visibility and decision-making ($p > 0.05$). The lowest mean score was recorded for the statement "I use e-accounting to submit tax reports more efficiently and on time" (mean = 3.77), which suggests some variability or uncertainty regarding e-accounting's impact on tax reporting efficiency. The standard deviations for these statements ranged from 1.16 to 1.23, indicating moderate variability in responses and suggesting that perceptions of e-accounting benefits may differ based on factors such as business size, age, or digital literacy levels.

Furthermore, the study found a positive and statistically significant relationship between e-accounting and financial performance among SMEs in Eldoret City ($\beta = 0.180$; $p < 0.05$). This indicates that an increase in e-accounting practices is associated with improved financial outcomes. Specifically, the regression coefficient ($\beta = 0.180$) implies that a one-unit increase in e-accounting usage corresponds to an approximate 0.180 unit increase in financial performance, assuming other variables are held constant. These findings align with prior research indicating that the adoption of digital financial management tools can enhance SME financial performance (Shbeilat & Al-Hajaia, 2022).

Recommendations

Based on the findings that e-accounting significantly influences the financial performance of SMEs in Eldoret City and that financial literacy moderates this relationship, it is essential for policymakers, financial institutions, and development agencies to prioritize initiatives that

enhance digital literacy among SME operators. Training programs tailored to improve entrepreneurs' understanding and effective use of e-accounting systems can help maximize their benefits, leading to better financial management, improved decision-making, and increased profitability (Rahale et al., 2024). Furthermore, the government should consider creating supportive policies that promote the adoption of e-accounting through incentives such as tax rebates or subsidies for SMEs acquiring digital tools and training, thus reducing entry barriers (Waweru & Kipkoech, 2023). Strengthening digital infrastructure, including reliable internet access and affordable digital devices, is also crucial to facilitate widespread adoption. Additionally, integrating financial literacy into entrepreneurial development programs will empower SMEs to leverage digital financial systems more effectively, ensuring that the benefits of e-accounting translate into tangible improvements in financial performance (Shbeilat & Al-Hajaia, 2022). Encouraging collaborations between financial institutions and SMEs for training and support services can further enhance system adoption and usage. Overall, a comprehensive approach that combines capacity building, supportive policies, and infrastructural development is necessary to harness the full potential of e-accounting in fostering sustainable growth among SMEs in Eldoret city.

REFERENCES

Alfartoosi, A., & Jusoh, M. A. (2021). The impact of e-accounting system on internal control effectiveness in Iraqi SMEs. Journal of Financial Reporting and Accounting, 19(2), 245–263.

Brown, K., & O'Neill, R. (2022). The influence of e-accounting adoption on financial performance among SMEs in the United States. International Journal of Accounting Information Systems, 46, 100545.

Brown, T. A. (2015). Confirmatory factor analysis for applied research (2nd ed.). The Guilford Press.

Bujang, M. A. (2021). Sample size guidelines for logistic regression from observational studies with large population: Emphasis on the accuracy between statistics and parameters based on real life clinical data. Malaysian Journal of Medical Sciences, 28(2), 19–29.

Cohen, J. (2018). Statistical power analysis for the behavioral sciences (2nd ed.). Routledge.

Connelly, L. M. (2008). Pilot studies. Medsurg Nursing, 17(6), 411–412.

Creswell, J. W., & Creswell, J. D. (2022). Research design: Qualitative, quantitative, and mixed methods approaches (6th ed.). SAGE Publications.

Decman, M., Mališ, S. S., & Sacer, I. M. (2019). The impact of cloud computing on accounting and taxation in the digital economy. Journal of Information and Organizational Sciences, 43(1), 21–34.

Eisinga, R., Te Grotenhuis, M., & Pelzer, B. (2013). The reliability of a two-item scale: Pearson, Cronbach, or Spearman-Brown? International Journal of Public Health, 58, 637–642.

Field, A. (2013). Discovering statistics using IBM SPSS statistics (4th ed.). SAGE Publications.

García, M. P., Fernández, A. F., & Rivas, A. M. (2022). E-accounting and its impact on decision-making in small businesses: A case study approach. Journal of Small Business and Enterprise Development, 29(1), 112–128.

Garcia, R., & Taylor, M. (2023). Meta-analysis of e-accounting adoption effects in SMEs. Accounting & Finance Review, 11(2), 55–70.

Katamba, D. (2019). The role of technology in modern auditing: A study of Tanzanian auditors. African Journal of Accounting, Economics, Finance and Banking Research, 12(1), 34–47.

Kenya National Bureau of Statistics. (2023). Statistical abstract 2023. Nairobi, Kenya: KNBS.

Kinyua, H. N., Gakure, R. W., Gekara, M., & Orwa, G. (2019). Effect of financial management practices on the performance of SMEs in Kenya. International Journal of Business and Social Science, 10(6), 78–87.

Lawshe, C. H. (1975). A quantitative approach to content validity. Personnel Psychology, 28(4), 563–575.

Lohr, S. L. (2021). Sampling: Design and analysis (2nd ed.). CRC Press.

Mahajan, R., & Singh, A. (2022). Pilot testing and validity: A guide for social science research. Research Methodology in Applied Sciences, 4(2), 103–118.

Martínez-Fernández, V., Navarro, C., & del Río, M. (2021). Digital transformation and financial performance: The role of e-accounting in Spanish SMEs. Technological Forecasting and Social Change, 173, 121124.

McDonald, D., & Kelloway, E. K. (2021). Research design for business and management. Oxford University Press.

Mendes, A., & Costa, C. (2023). Barriers to e-accounting in SMEs: Evidence from Portugal. Journal of Accounting and Organizational Change, 19(3), 367–384.

Mertens, D. M., & Hesse-Biber, S. (2020). Mixed methods and credibility of evidence in evaluation. New Directions for Evaluation, 2020(167), 5–20.

Mwanzia, K., & Karanja, J. (2023). E-accounting and financial performance among SMEs in urban Kenya: A regression analysis. African Journal of Business Management, 17(2), 95–107.

Nascimento, R. D., Costa, A., & Oliveira, L. (2023). E-accounting impact on SMEs: A meta-analytical review. Journal of Accounting Literature, 45, 100751.

Otieno, L., & Juma, V. (2023). Digital accounting challenges in Nairobi-based SMEs. East African Journal of Finance, 5(1), 41–53.

Polit, D. F., & Beck, C. T. (2012). Nursing research: Generating and assessing evidence for nursing practice (9th ed.). Lippincott Williams & Wilkins.

Rahahle, A. A., Kimathi, M. W., & Al-Hajaia, A. (2024). The moderating role of financial literacy on e-accounting systems in East Africa. Journal of Accounting and Emerging Economies, 14(1), 1–19.

Sari, Y., Rahman, M., & Hidayat, R. (2023). Challenges of adopting e-accounting in SMEs: A qualitative analysis from Indonesia. Asian Journal of Accounting Research, 8(1), 99–114.

Shbeilat, M. K., & Al-Hajaia, M. O. (2022). Barriers to adoption of electronic accounting systems in SMEs: Evidence from Jordan. Accounting and Finance Research, 11(1), 25–34.

Slovin, E. (2018). Slovin's Formula for sample size calculation in quantitative studies. Quantitative Research Journal, 3(2), 35–40.

Smith, J., & Jacobson, R. (2023). Industry-specific effects of e-accounting on SME profitability. Journal of Financial Technology and Innovation, 2(3), 84–97.

Soudani, S. N. (2013). The usefulness of an accounting information system for effective organizational performance. International Journal of Economics and Finance, 5(5), 136–145.

Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. International Journal of Medical Education, 2, 53–55.

Uasin Gishu County, Ministry of Trade. (2024). SME registry report for Eldoret City. Eldoret, Kenya: County Government.

Wang, C., & Li, J. (2022). The digital shift in SME finance: E-accounting and performance metrics in China. Journal of Asian Business Studies, 16(1), 115–129.

Waweru, L., & Kipkoech, S. (2023). Digital financial systems and SME performance in Kenya: Sectoral differences and barriers. Kenya Journal of Business Research, 9(2), 88–104.

World Bank. (2020). SMEs finance: Improving SMEs' access to finance and finding innovative solutions to unlock sources of capital. Retrieved from https://www.worldbank.org/en/topic/smefinance

Zhang, X., Thompson, J., & McCarthy, L. (2023). Technological literacy and e-accounting success in Canadian SMEs. Canadian Journal of Administrative Sciences, 40(2), 160–175.

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). Business research methods (8th ed.). Cengage Learning.