

## **An Examination of Records Management Practices in Small and Medium Enterprises in the Lusaka Urban District of Zambia**

---

Yakhiwe C. Zulu<sup>1</sup> Alexander M. Chisanga<sup>2</sup> Chrispin Hamooya<sup>3</sup>

University of Lusaka<sup>1</sup> SMART Zambia Institute e-Government Division<sup>2</sup> University of Zambia<sup>3</sup>  
yakhiwe@gmail.com; alexchisanga10@gmail.com; hamooya@unza.ac.zm

### **ABSTRACT**

*The study examined records management practices in Small and Medium Enterprises (SMEs) in Lusaka, Zambia. The study's objectives were to identify the records created by SMEs; the effects of records management on SME performance; and the challenges SMEs face in records management practices. The study adopted a qualitative methodology, and purposive sampling was used to draw a sample of 20 business owners. Primary data were collected using semi-structured interviews and thematically analysed. The findings revealed that SMEs maintained only paper-based records, stored in managers' offices. Further, it was discovered that financial record management was disorganised due to the lack of guidelines. Thus, the study recommends that SMEs employ qualified records officers and orient their employees in best records management practices.*

**Keywords:** Records Management; Financial Records; Records Policies; SMEs, Zambia.

### **1. INTRODUCTION**

Good records management practices make an SME accountable to statutory obligations such as auditing and tax declarations to the authorities. The World Bank (2003) defines SMEs as firms with 5-9 employees, medium-sized firms with 20-99 employees, and large firms with 100 or more employees. The Australian Society of Archivists Inc. (ASA) and the Records Management Association of Australasia (RMAA) (2011) state that a comprehensive bookkeeping system can help business owners develop accurate, timely, and detailed financial reports on the progress and prospects of the business. In Zambia, the SMEs cover broader areas of economic activity such as agriculture, mining, manufacturing, construction and service sector industries. Therefore, UNESCO (2015) has stressed the need for SMEs to adopt the international standards and procedures for the management of records from creation to archiving or disposition of records. This is because good or bad record-keeping practices can influence the performance of a business entity.

#### **1.1 Statement of Problem**

Many governments require a comprehensive assessment of a business's records for tax administration purposes. According to Bwalya (2024), despite the benefits of good record-keeping practices, most SMEs in Zambia have failed to maintain accurate and complete financial, asset, and HR records. Many of these SMEs appear unaware of the importance of good records management practices for the well-being of their businesses. Konge (2014) observed that the significance of records among most SMEs in Zambia only dawns when applying for a business loan or when the Zambia Revenue Authority (ZRA) demands financial statements for tax purposes. Except for statutory requirements, SMEs rarely consider proper record keeping and management. Due to short notice demands from stakeholders, most SME owners resort to fabricating records that do not accurately reflect their businesses' true positions. Poor and ineffective record-keeping has led to the collapse

of some SMEs. Against this background, this study examined records management practices and recommended effective solutions for SMEs in Lusaka.

### 1.2 Objectives of the Study

The main objective of the study was to examine the records management practices in SMEs in the Lusaka Urban District of Zambia. In doing so the study sought to:

- i) identify the type of records being created and received in SMEs;
- ii) establish the existing record management practices in SMEs;
- iii) establish records management challenges in SMEs.

## 2. LITERATURE REVIEW

Effective records management within an organisation involves systematic control of records throughout their lifecycle, ensuring legal compliance and data security (World Bank, 2020). Companies that invest adequately in records management tools usually comply with government legal requirements, and it is very easy for them to audit their books of accounts. However, many organisations struggle to adopt best practices in the creation, maintenance, disposal and archival of records (Konge, 2014). The challenges range from employing unqualified records officers to a lack of a records management policy and a laissez-faire attitude among business owners (Bwalya, 2024; Jatto, 2020).

Inadequate storage facilities are also a bottleneck to managing records in small businesses (United States General Accounting Office, 2012). A study by Sanga et al. (2014) found that SMEs in Tanzania had a negative attitude towards good record-keeping practices. Therefore, the study recommended that record-keeping be made legal and mandatory for all SMES in the country. Another survey by Mbae (2015), recommended that SMEs adopt well-written records management policies to influence their organisations' records management practices, following the discovery that, in Kenya, most SMEs lacked procedures to manage their company records. According to a study by Myeko and Madikane (2019), owners and managers of SMEs should embrace proper record-keeping and learn to practise it, keeping accurate records for their organisations. In Zambia, poor records management might have been affected by the growing number of SMEs. However, SMEs are yet equipped with records management skills and well-trained records officers. As a result, SMEs struggle to meet their statutory obligations, such as tax and pension obligations.

## 3. RESEARCH METHODOLOGY

The study adopted a qualitative methodology and purposive sampling to select 20 business owners. The study population comprised 169,574 SMEs in Lusaka registered under the Patents and Companies Registration Agency (PACRA) e-registry system. Lusaka Urban District was selected as the area of study because most SMEs in Zambia are concentrated along the line of rail, which is more densely populated and has better infrastructure and financial access than the other 9 provinces. Primary data were collected through semi-structured interviews and thematically analysed. Information on the SME category and business type was recorded. The findings are summarised in Tables 1, 2 and 3.

#### 4. FINDINGS OF THE STUDY

##### 4.1 Characteristics of SMEs and Participants

Table 1 below shows who managed the records in the small and medium enterprises that were part of the study.

*Table 1: Managers of Records in the Small and Medium Enterprises*

Managers of records in the SMEs	Number of SMEs
Owners	6
Managers	14
<b>Total</b>	<b>20</b>
Category of SMEs (by number of employees)	Number of SMEs
Small Firms (between 5 -9 employees)	8
Medium Firms (between 20-99 employees)	6
Large Firms (100 or more employees)	6
<b>Total</b>	<b>20</b>

As shown in Table 1 above, background information on the Small and Medium Enterprises revealed that, in six SMEs, the owners managed the records. In comparison, in fourteen SMEs, managers handled the records. Eight SMEs fell into the small-firm category, with 5-9 employees; another six into the medium-firm category, with 20-99 employees; and the remaining six into the large-firm category, with 100 or more employees. Many respondents in the interview were managers and record officers.

Table 2 below shows the types of business the small and medium enterprises that were interviewed were engaged in.

*Table 2: Type of Business Engaged In*

Type of Business	Number of SMEs
Chemists/Pharmacies	4
Agro Shops	4
Hardware Stores	4
Auto Spares Shops	4
Bookstores/Stationary Shops	4
<b>Total</b>	<b>20</b>

On the types of business, the SMEs studied were engaged in, we had chemist/pharmacies, agro shops, hardware stores, auto spare shops and bookstores/stationary shops.

##### 4.2 Existing Records Management Practices

Research participants were requested to indicate the type of records management system they had in place. Results from the interview revealed the following themes: paper-based system, electronic system and both paper-based and electronic system.

###### 4.2.1 Paper-based System

The theme on a paper-based system had the following responses. One respondent said, "Our records are on paper, so we use a manual system to manage them." Another responded said "we are yet to have electronic records and as such, our records are managed on paper."

Another stated, *"We use a manual system."*  
Further response given was, *"Currently, we are using a paper-based system to manage records. We have plans to migrate to an electronic system in the near future."*

Further, another indicated, *"just look at all these files and folders. They are an indication that we are managing our records manually."*

Another further said, *"Our business is still growing, and we do not have so many records. So, for now, we handle records manually."*

#### **4.2.2 Electronic System**

On the electronic system usage, one respondent mentioned:  
, *"Two years ago, we decided to invest in a computerised system to help manage our records. We copied all our records from paper to the electronic system."*

Another stated, *"We use computers to manage our records."*

Another said, *"We have an electronic system for managing our records. We are moving with current trends."*

Further response given was, *"we manage our records electronically. First, we started with just our financial records, and then later we included all records."*

#### **4.2.3 Both Paper based and Electronic Systems**

Responding to the theme on both paper based and electronic system, participants had the following to say: *"We use two systems both paper and a computer system to manage our records."* one responded said.

Another mentioned, *"Some records are managed on paper while others are managed electronically."*

Another said, *"We have records managed on paper, and other records managed through electronic means."*

In response to the question regarding the records management system in place, the interviewees revealed that records were managed using a paper-based system, an electronic system and others used both paper-based system and electronic system.

#### **4.2.4 Storage of Records in SMEs**

Regarding storage of records, interviews revealed that those records were stored in filing cabinets, shelves, while others stored records in boxes. With these findings, the pictures below show the storage equipment used for records in the different SMEs. Figure 1 below shows records in form of delivery notes stacked on a shelf for storage.





*Figure 1: Delivery notes stored on shelves*

Figure 2 below shows customer records filed in box files and stored on a shelf. The box files have been labeled to enable location and retrieval when needed.



*Figure 2: Box Files Containing Customer Information*

Figure 3 below shows the boxes used to store records awaiting transfer to other business outlets. Each box is labelled with the name of the outlet to which it is being transferred.



*Figure 3: Boxes Containing Records*

#### 4.2.5 Security for the Records

When respondents were asked how they secured and protected their records against factors such as unauthorised access and theft, the results revealed three themes: lockable cabinets, use of passwords and restricted access.

##### i) Lockable Cabinets

The theme on lockable cabinets being the major theme had the following responses. One response indicated, *"On security of records, we have lockable cabinets."*

Another said, *"We use lockable cabinets to secure our records from theft and people tampering with information."*

Another responded, *"Our cabinets are lockable and this provides security for records"* Another stated, *"These cabinets you see can be locked to prevent unauthorized people from accessing the records."*

Another said, *"All records considered to be highly sensitive are placed in lockable cabinets."*

Another added, *"records containing sensitive information are locked up in cabinets."*

Further, another mentioned, *"we secure our records in filing cabinets that can be locked."*

##### ii) Use of Passwords to Protect Records

On the theme of use of passwords, the following responses were given:

One respondent stated, *"To access records on our computers, we have usernames and passwords."*

Another added, *"Access to records on other software requires us to use additional passwords other than the ones used to log onto the computer as extra precaution to secure our records."*

Another responded, *"All our computer terminals have passwords for individual users. To have access to any record or information on these computers, one must type in their password."*

Another said, *"With the use of passwords on our computers, our records are protected from unauthorised access."*

Further, another mentioned, *"only a few employees have been given access to records on our computers. Each of the selected employees has a password that is unique to them."*

##### iii) Restricted Access

The theme on restricted access had the following responses:

One respondent mentioned, *"Access to our records is restricted and monitored."*

Another added, *"Only our managers are authorized to access records."*

Another said, *"Managers and the owners are the only ones who have access to our records."*

Further, another said, *"it is not every employee who is granted access to the records."*

Further, another indicated, *"management is clear that only managers can have ready access to records. The rest need clearance from those in charge."*

The study revealed that lockable cabinets, passwords on computers (PCs), and restricted access to records were used to secure records from *unauthorized access*. In this vein, the following are pictures of what was observed on security and protection of records.

Figure 5 below shows the lockable cabinets found in some managers offices that are used to secure records against theft and unathourised access.



*Figure 5: Lockable File Cabinet Used to Secure Records*

## **5. DISCUSSION AND INTERPRETATION OF FINDINGS**

This section discusses the findings based on an examination of records management practices in SMEs in Lusaka Urban District. The section is divided into four sections, namely: types of records created or received records management systems in place, records management practices and challenges faced in managing the records.

The findings established that many SME operators in the municipality do not use computerised record-keeping systems, instead relying on manual systems. Similarly, studies by Chachage and Ngulube (2006) indicated that staffing and professionalism were poor in most of these small businesses, and that the qualifications of those responsible for managing records were not directly related to records management. Other similar findings from a study by Ajibade and Khayundi (2017) indicated that, despite the enormous contribution of SMMEs to the South African economy, no records management (RM) policy existed to guide them in their business processes. Studies by Okello-Obura (2012) are in conformity with these findings, as they established that SME managers are poor at records disposal, since many did not have procedures for archiving, disposal and destruction of different record types.

The findings indicate that most SMEs prefer manual systems to electronic ones. Introducing technology raises issues such as purchasing equipment, training employees, and updating software, each with associated costs. SMEs also shun the added costs of employing qualified records managers. This means the responsibility for managing records is delegated to individuals who are not qualified records managers alongside their other responsibilities. From the findings, it can be concluded that those entrusted with the management of records are not equipped with the necessary/specialised skills and competencies to do so. It is important to note that in businesses where the records managers are not qualified or properly trained, the records management programme is likely to fail. Further, the people in charge of managing records in these SMEs are overwhelmed with work, as they have other duties to perform besides managing records. In Zambia, SMEs seem to be lacking essential basic training in records management. It appears that SMEs might continue to have problems related to a lack of sound records management systems,

especially if those who are running SMEs are not trained in the basics of records management. Training provides a professional overview of the required knowledge that helps SMEs explore current practice.

The absence of a records management policy can be attributed to the lack of laws in Zambia that compel business owners to formulate records management policies and enforce compliance with records retention schedules, records disposal schedules, and records management procedures, ultimately leading to the failure of the whole programme.

A lack of a retention and disposal schedule clearly indicates that those responsible for managing records either dispose of records prematurely or keep records beyond their value, both of which create further complications. Having a retention and disposal schedule ensures that all laws and regulations to protect documents from misuse and improper use are followed. A lack of records retention and disposal schedule also affect storage space, as records intended for permanent destruction or archiving are kept, thereby clogging space meant for active records. From the findings indicated, there is no understanding of the value and importance of efficient and effective records management programme.

## 6. CONCLUSION AND RECOMMENDATIONS

It can be concluded that records management practices in SMEs in Lusaka Zambia are largely poor. The study has established that people managing the records are not qualified records managers and SMEs did not have policies and procedures for records management. Given the above findings, SMEs in Zambia should:

- i) The SMEs should employ qualified records managers with relevant qualifications to manage their records.
- ii) The SMEs owners and managers need to formulate policies and procedures to help them manage records.
- iii) The SMEs owners and managers need to sensitise all their employees on the importance of having a sound records management programme.

## REFERENCES

- Abjide, P. and Khayundi, F. (2017) 'The role of Records Management in SMEs in South Africa and its Implication for business sustainability', *African Journal of Library Archive and Information Science*, 27(2), pp.175 – 188. Available at: <https://www.ajol.info/index.php/ajlais/article/view/164666> (Accessed: 10 June 2021).
- Anokyewaa, C. (2016) 'Computerized record keeping among small and medium enterprises- a case study in Sunyani Municipality', Available at: <http://hdl.handle.net/123456789/8497> (Accessed: 10 June 2021).
- Apkarian, A. (2022) 'The Importance of Records Management in 2022 and Beyond', Available at: <https://www.neoledge.com/us/the-importance-of-records-management-in-2022-and-beyond/> (Accessed: 8 October 2022).
- Australian Society of Archivists Inc (ASA) and Records Management Association of Australasia (RMAA), (2011) 'Statement of knowledge for recordkeeping professionals', Available at: <http://www.rmaa.com.au/docs/profdev/StatementKnowledge.cfm> (Accessed: 2 February 2021).



- Bwalya, T. (2024) Electronic records management in government departments and parastatals in Zambia. *IP Indian Journal of Library Science and Information Technology* 9(2):119-127 DOI:10.18231/j.ijlsit.2024.019
- Chachage, B. and Ngulube, P. (2006) 'Management of business records in Tanzania: An exploratory case study of selected companies', *SA Journal of Information Management* 8(3), pp.102-106. Available at: [https://www.researchgate.net/publication/229001155\\_Management\\_of\\_business\\_records\\_in\\_Tanzania\\_An\\_exploratory\\_case\\_study\\_of\\_selected\\_companies](https://www.researchgate.net/publication/229001155_Management_of_business_records_in_Tanzania_An_exploratory_case_study_of_selected_companies) (Accessed: 12 June 2021).
- Ghasia, B. et al. (2017) 'Managing business records in Small and Medium Enterprises at Vigaeni ward in Mtwara-Mikindani Municipality, Tanzania', *International Journal of Management Research and Reviews; Meerut* 7(10), pp. 974-986. Available at: [http://ijmrr.com/admin/upload\\_data/journal\\_Sulaman%20%205oc17mr.pdf](http://ijmrr.com/admin/upload_data/journal_Sulaman%20%205oc17mr.pdf) (Accessed: 9 June 2021).
- Konge, W. (2014) 'Record Keeping a Major Business Hurdle', *Times of Zambia*, 2<sup>nd</sup> June. Available at: <https://www.times.co.zm/?p=97616> (Accessed: 27 January 2021)
- Lawson, S. (2021) 'Records Management Process in Organizations', Available on: <https://study.com/academy/lesson/records-management-process-in-organizations.html> (Accessed: 6 June 2021).
- Okello-Obura, C. (2012) 'Records and information management practices among SMEs in Tororo district, Uganda', *Library Review*, 61(6), pp. 447- 469. Available at: [https://www.researchgate.net/publication/263335563\\_Records\\_and\\_information\\_management\\_practices\\_among\\_SMEs\\_in\\_Tororo\\_district\\_Uganda](https://www.researchgate.net/publication/263335563_Records_and_information_management_practices_among_SMEs_in_Tororo_district_Uganda) (Accessed: 25 September 2021).
- Rayburn K, (2020) 'Understanding the Importance of Records Management' Available at: <https://www.alarisworld.com/en-gb/insights/articles/understanding-importance-records-management#section%201> (Accessed: 8 October 2021).
- World Bank Group. (2020) 'Records Management Principles and Practices Part 3', Available on: [https://thedocs.worldbank.org/en/doc/6943615940657563660240022020/original/WBG\\_RMRoadmap005Part3RMOverviewFINALPDF.pdf](https://thedocs.worldbank.org/en/doc/6943615940657563660240022020/original/WBG_RMRoadmap005Part3RMOverviewFINALPDF.pdf) (Accessed: 4 July 2021).