FAMILY ATTRIBUTES AND HOUSEHOLD ACCOUNTING IN OGUN STATE, NIGERIA

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Abstract

Despite the uniqueness of this segment of informal accounting practice, it is amazing that little is known about household accounting practices among accounting scholars, even in Nigeria. Academic study of accounting at home is very unfamiliar in literatures and quite scanty in developing countries as Nigeria. The Researchers are also not aware of prior academic studies that investigated household accounting practices in Ogun State. This study seeks to examine whether family attributes (household level of education, household geographical location and gender) significantly influence household accounting practices in Ogun State, Nigeria. Cross sectional survey design was adopted in the study to help facilitate broad collation of reliable data. Structured questionnaire was utilized for effective extraction of primary data from the sampled population. Deploying statistical package for social sciences (SPSS) version 20.0, linear regression analysis was performed at 5% level of significance. Family level of education has no significant influence on household accounting practices of families in Ogun State. A similar no significant relationship situation was observed between gender and household accounting practices. However, it was discovered that a strong positive and significant relationship exists between geographical location and household accounting practices in Ogun State. Accounting scholars should intensify effort for the prompt inclusion of household accounting into the accounting curriculum of secondary schools and tertiary institutions in Nigeria. In addition, household accounting knowledge is believed to enhance family relationships and accountability

1. INTRODUCTION

Accounting is widely acknowledged as the language of business. In their work, Glautier, Underdown and Moris (2011) described accounting as the art of recording, classifying and summarizing in a significant manner and in terms of

money or transactions and interpreting the result thereof. Accordingly, accounting is an indispensable part of business activities that also plays vital role in the personal life and livelihood of people. For instance, accounting ideas are quite relevant at home where family income and expenses are planned, penned down and maintained as a budget for reference purpose. But Llewellyn and Walker (2000) observed that inadequate knowledge of accounting for adequate home management, especially in the area of meeting food stuff and cosmetics needs, does affect housewives' savings negatively. In home management, families are known to engage in record keeping of household needs, budgeting for household needs, and evolving a well-articulated financial plan on how to fund and meet these unmet needs. This readily attests to the possible practice of household accounting by families though unconsciously in most cases. Northcott and Doolin (2000) lend their voice to this stressing that accounting practices in corporate organization and in households are somewhat similar except that some rules and principles that regulate accounting activities among corporate environment are known, recognized and well-regulated in Nigeria.

While Janudin and Mohamad (2005) attesting to the belief that a home as locus of production and consumption that can be likened to small firm that deserves human attention on daily basis, the two scholars noted that households can be classified by attributes such as level of education, gender, geographical location and culture. Furthermore, Chowa (2006) stressed that these family attributes, to a great extent, influence household income and expenses. Thus, the practice of accounting in any given home is considered the responsibility of the couple- the father and mother.

Despite the uniqueness of this segment of informal accounting practice, it is amazing that little is known about household accounting practices among accounting scholars, even in Nigeria. Walker and Llewellyn, (2000) observed that accounting scholars appear not to be interested in household accounting. This is more as closer observation also attests to the fact that academic study of accounting at home is very unfamiliar in literatures and quite scanty in developing countries as Nigeria. The Researchers are also not aware of prior academic studies that investigated household accounting practices in Ogun State. Furthermore, the hardship unleashed on households by COVID-19 pandemic in Nigeria has equally drawn some concern to the plights and financial status of families in Ogun State during the lockdown in Nigeria. While many mini market businesses through which the income of many families in Ogun State were derived remained shut down during the lockdown, most families resorted to financial and commodity loans in their bid to survive. Although many households stayed indoor in compliance to federal government's specific lockdown directives on Ogun State and two other States (Lagos and the Federal Capital Territory) weeks before inter-State borders lockdown was announced, observations showed that most families were inevitably compelled to cut down daily consumption in order not to run out of food items and scarce financial resources at their disposal. This conscious or unconscious attitude of households to the management of family scarce resources during the CPVID-19 is unarguably linked

to household accounting practices. It is against this backdrop that this study intends to examine the effect of family attributes on household accounting practices in Ogun State.

The specific objectives considered are:

i.   To examine whether family level of education influences household accounting practices in Ogun State.

ii. To determine the extent of relationship between geographical location and household accounting practices in Ogun State.

iii. To ascertain the effect of gender on household accounting practices in Ogun State.

The study was guided by the following null hypotheses:

i.   Family level of education has no significant influence on household accounting practices in Ogun State.

ii. Geographical location has no significant relationship with household accounting practices in Ogun State.

iii. Gender has no significant relationship with household accounting practices in Ogun State.

The study covers household accounting and family attributes during covid'19 pandemic. Study emphasis was on families living in Ado – Odo/Ota and Ifo Local Government Areas of Ogun State. These two local governments were selected because they host many manufacturing firms, tertiary institutions of learning and many rural villages.

2. EMPIRICAL REVIEW

Walker and Llewellyn (2000) observed a significant positive relationship between gender and household accounting in Britain. While stressing that on the financial responsibility of spouse in homes, the study equally discovered that it is much easier to understand accounting during daily activities at home. Pahl (2000) in his study found out that there is arguably a remarkable relationship between household accounting practice and size of family income. This is because, while some families earn low income periodically thereby meeting their emerging daily needs one at a time, some others appear to be more affluent in their spending as a result of commendable quantity of accessible financial resources. And these two different scenarios, no doubt, disproportionally influence household accounting practices. This implies that low income family earners apply discretion to scrutinize their budget very well and monitor their financial situation accordingly. Thus, the study by Pahl (2000) found that woman in homes occupy the place of family Accountant more than men.

In Mauritius, Ramlugun, Ramdhony and Poornima (2012) through their study observed that the practice of household accounting has been grossly affected by risk of debt, special events or social occasions such as marriages, funerals and birthday ceremony. However, emphasis was more on home expenses than on family earning. The situation was rather different in Japan where Komori and Humprey (2000) discovered that household accounting practice helps to boost and improve family savings. The study reveals that the practice of household accounting is a reliable burner that has assisted homes to reduce wastage while encouraging prudency and family savings. Concurring to this, the study carried out by Janudin and Mohamad (2005) pointed out that during budget preparation, households tend to pay closer discrete attention to savings as they plan for emerging events and unforeseen circumstances.

Froud, Haslam, Johal, and Williams (2000) found in their study which was carried out in Germany that women were accountable for daily recording of revenue and expenses while men were responsible for recording of assets and liabilities. Accordingly, Hopper (1995) made a more interesting observation in his study when he found out that women are often stand in as the family Accountant given their continuous involvement in virtually all segment of family financial behaviour. The study also indicated that, in many homes, men are viewed as main contributors in financial decision making process. Levy (1989) however upheld that the main criterion on which decision is based, is cash.

Raising more sensitive issues, Alias, Bakar, Sadique and Haron (2016) observed that reduction in income earning of household during financial crisis in Malaysia led to increase in household debt due to increase in cost of living. The study recommends for adequate implementation of household accounting practice as this will help reduce household debt to its barest minimum towards enhancing family relationship.

3. METHODOLOGY

Cross sectional survey design was adopted in the study to help facilitate broad collation of reliable data. Structured questionnaire was used to extract primary data from the sampled population. The population of the study comprises of all households living in Ado – Odo/ Otta and Ifo Local Government Areas in Ogun State. The purposive sampling technique was employed to select sample population for the study. This sampling technique was used by the researchers for convenience sake with focus maintained solely on households that understand English language in both the rural areas and urban centres of the Local government Areas.

Two thousand households (2000) were judgmentally selected from both local governments. Five hundred households each was selected from rural areas and urban centres of Ado – Odo/ Otta and Ifo Local Government Areas in Ogun State. Hence, a total of 2000 questionnaires were administered.

Out of these 2000 copies of questionnaires administered, a total of 1500 were correctly filled and returned by respondents. The Linear regression analysis was adopted and applied with the aid of SPSS version 20.0 software, to conduct all data analyses at 5% level of significance.

The structured questionnaire followed a 4-point likert scale format. The weight assigned to each point are; It is very correct (VC) = 4 points; It is correct (C) = 3 points; I do not know (K) = 2 points; It is not correct (NC) = 1 point.

The functional form of model for this study is:

H/hsAcct = f(edu, geo, gend)   eq 1

The statistical models: for hypotheses

H/hsAcct $= \beta_0 + \beta_1 edu + \varepsilon_t$ eq.2

H/hsAcct $= \beta_0 + \beta_1 geo + \varepsilon_t$ eq3

H/hsAcct $= \beta_0 + \beta_1 gend + \varepsilon_t$ eq.2

Where:

$\beta_1 > 0; \ r^2 > 0$

β_1 is a measure of the effect of family attributes on household accounting.

H/hsAcct = Household accounting

edu = household level of education

geo = geographical location of household

gend = gender

$\varepsilon_t =$ error term

$\beta_0 =$ regression coefficient

Measurement of variables

Structured questions envisaged focused mainly on family budgeting process, family financial planning and family financial statement towards effectively measuring household accounting practice, which stands out as the dependent variable of this study.

For the independent variables, questions that focused on educational background of the spouse in a family, were used to measure the family level of education, those related to geographical location of the family was used to measure geographical location, while Gender was measured by questions linked to the role of a woman and man in budgeting process and financial decision making at home.

4. RESULTS AND DISCUSSION

4.1. HYPOTHESIS ONE

H_i: Family level of education significantly influences on household accounting practices   in Ogun State.

Table 1: Model Summary for family level of education and household accounting

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.373[a]	.139	.032	383.09077	1.862

Note: R^2 = .139, f(1, 8) = 1.29, p = .283
Source: SPSS 20.0 Output

Table 2: ANOVA[a] Family level of education and household accounting

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	189986.081	1	189986.081	1.295	.288[b]
1	Residual	1174068.319	8	146758.540		
	Total	1364054.400	9			

a. Dependent Variable: Household Accounting

b. Predictors: (Constant) Household level of education
Source: SPSS 20.0 Output

Table 3: Regression coefficient for family level of education and household accounting

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	5200.221	527.057		9.867	.000
1	household level of education	-.189	.166	-.373	-1.138	.288

Source: SPSS 20.0 Output

A look at Table 1: *model summary* shows that R square and the adjusted R square are .139 and .032. This implies that 13.9% variation experienced in household accounting practiced among the sampled population was explained by their family level of education attained. More so, It was observed from Table 2 (ANOVA Table) that family level of education is not statistically significant to predict the attitude of families to household accounting since the probability value obtained (p-value), that is 0.283, is greater than 0.05 (P> 0.05). This was further confirmed in Table 3 where the coefficient of household level of education indicated a negative (T, -1.138)

influence of household level of education on household accounting practices among families in Ogun State.

Decision: *Accept the alternate hypothesis if f-critical value is greater than f-table value, otherwise reject and accept the null hypothesis.*

Thus, deploying the 'Df' statistics in Table 2 (ANOVA Table), we looked up 8 under 1 in the F-Table at 0.05 or 5% level of significance. Outcome obtained showed that F-table value is 5.32. Since *F-table value* (5.32) is greater than the F-*critical value* as in Table 2 (1.295), we accept the null hypothesis while rejecting the alternate hypothesis. And this means *that family level of education has no significant influence on household accounting practices in Ogun State.*

4.2. HYPOTHESIS TWO

H_i: Geographical location has significant relationship with household accounting practices in Ogun State.

Table 4: Model Summary for geographical location and household accounting

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.804[a]	.596	.633	293.14732	1.541

Note: $r^2 = .596$, f(1, 8) = 7.873, p = .002
Source: SPSS 20.0 Output

Table 5:ANOVA[a] Result : Geographical location and household accounting

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	676571.581	1	676571.581	7.873	.002[b]
	Residual	687482.819	8	85935.352		
	Total	1364054.400	9			

a. Dependent Variable: Household Accounting

b. Predictors: (Constant), geographical location of household
Source: SPSS 20.0 Output

Table 6: Regression coefficient for geographical location and household accounting

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3112.366	544.054		5.721	.000
	geographical location of household	.793	.247	.704	2.806	.002

Source: SPSS 20.0 Output

Table 4: *model summary* shows that R square and the adjusted R square are .596 and .633. This implies that 59.6% variation experienced in household accounting practiced among the sampled population was explained by their geographical location. More so, it was observed from Table 5 (ANOVA Table) that geographical location is statistically significant to predict the attitude of families to household accounting since the probability value obtained (p-value), that is 0.002, is less than 0.05 (P < 0.05). This was further confirmed in Table 3 where the coefficient of household geographical location indicated that a strong positive (T, 2.806) relationship between household geographical location and household accounting practices among families in Ogun State exists.

Decision: *Accept the alternate hypothesis if p-value is less than 0.05 or f-critical value is greater than f-table value, otherwise reject and accept the null hypothesis.*

Since p-value obtained from Table 5 (ANOVA) is 0.002 which is less than 0.05, we accept the alternate hypothesis and reject the null hypothesis. This was further confirmed from the F-Table where 8 under 1 at 0.05 or 5% level of significance showed a F-table value of 5.32 which is less than the F-*critical value* of 7.873. This means *that geographical location has significant relationship with household accounting practices in Ogun State.*

4.3. HYPOTHESIS THREE

H_i: Gender has significant relationship with household accounting practices in Ogun State.

Table 7: Model Summary for gender and household accounting

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.611[a]	.394	.295	326.81999	1.011

Note: $R^2 = .394$, f(1, 8) = 4.771, p = .050
Source: SPSS 20.0 Output

Table 8: *ANOVA[a] Result : Gender and household accounting*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	509563.955	1	509563.955	4.771	.050^b
	Residual	854490.445	8	106811.306		
	Total	1364054.400	9			

a. Dependent Variable: Household Accounting

b. Predictors: (Constant), gender

Source: SPSS 20.0 Output

Table 9: Regression coefficient for gender and household accounting

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6003.944	643.528		9.330	.000
	gender diversity	-.564	.258	-.611	-2.184	.050

Source: SPSS 20.0 Output

A look at Table 7: *model summary* shows that R square and the adjusted R square are .394 and .295. This implies that 39.4% variation experienced in household accounting practiced among the sampled population was explained by their family gender. More so, It was observed from Table 8 (ANOVA Table) that family gender is not statistically significant to predict the attitude of families to household accounting since the probability value obtained (p-value), that is 0.050, is equal to 0.05 ($P > 0.05$). This was further confirmed in Table 9 where the coefficient of household level of education indicated a strong negative (T, -2.184) relationship between family gender and household accounting practices among families in Ogun State.

Decision: *Accept the alternate hypothesis if f-critical value is greater than f-table value, otherwise reject and accept the null hypothesis.*

Deploying the 'Df' statistics in Table 8 (ANOVA Table), we looked up 8 under 1 in the F-Table at 0.05 or 5% level of significance. Outcome obtained showed that F-table value is 5.32. Since *F-table value* (5.32) is greater than the F-*critical value* as in Table 8 (4.771), we accept the null hypothesis while rejecting the alternate hypothesis. And this means *that there is no significant relationship between family gender and household accounting practices in Ogun State.*

5. DISCUSSION OF RESULTS

Hypothesis one shows that family level of education has no significant influence on household accounting practices in Ogun State. The analysis reveals that irrespective of family level of education, directly or indirectly, household accounting are being practiced in many homes in Ogun State. The study further indicates that spouses in homes often come together for financial planning purposes at home. This probably entails that the budgeting process is championed by the father while the wife join in the process. The study also shows that lots of well-educated families make effort to take adequate record of expenditures incurred periodically on food items for family consumption, school fees and tuitions, kitchen utensils, furniture, gas filling and refilling, kerosene refill and so on. This pattern however appear a bit different from those of families of the not-well educated background who are noted to maintain records of such transactions on their mind without a consequent written effort made in that respect. It was observed that family income is the prime basis of planned family expenses for not well educated category of families. Thus, it is crystal clear that families engage in household accounting practices, directly or indirectly, irrespective of level of education attained.

This finding is consistent with observations made by Komori and Humprey (2000); Janudin and Mohamad (2005); and Alias, Bakar, Sadique and Haron (2016) who in their studies discovered that the level of spouse education has no significant effect on household accounting. This implies that, in practice, household accounting is observed in every home.

The outcome of analysis conducted on hypothesis two revealed that family geographical location has significant relationship with household accounting practices of families in Ogun State. The study observed that household in urban centres is practiced household accounting more than those in the rural areas. Most of the respondents opinion showed that cost of living in urban centres is very high than rural areas. This has propelled households to get fully involved in budgeting process, financial planning and consequent observation of either written or unwritten family Financial Statement. This entails that most households in the urban centre practiced the art of record keeping than those in rural areas.

This discovery is consistent with findings made by Northcott and Doolin (2000); Carnegie and Walker (2007); and Ramlugun, Ramdhony and Poornima (2012) in their studies that a significant relationship between household geographical location and household accounting exist.

Hypothesis three reveals there is no significant relationship between gender and household accounting practices in Ogun State. The study shows that either men or women are involved in long term financial planning process though women were noted to be more active in budgeting process and financial planning than men.

Study shows that women do record and analysis home expenses to man for budget process and financial planning. Women are more at home to care for the family and it positions them for the role of Accountant in the family. This finding is however inconsistent with scholarly observations made by Thaler (1992); Hopper (1995); Northcott and Doolin (2000); Komori and Humphrey (2000) who all observed from their various studies that gender has significant effect on household accounting.

6. CONCLUSION AND RECOMMENDATIONS

Based on the findings made in this study, it was concluded that aside geographical location of families which recorded a significant relationship with household accounting practices of families in Ogun State, family level of education and gender are not significant factors for predicting the attitude of families to household accounting practices in Ogun State. In view of these findings, it was recommended that since every home is directly or indirectly involved in household accounting practices, accounting scholars should intensify effort for the prompt inclusion of household accounting into the accounting curriculum of secondary schools and tertiary institutions in Nigeria. Implications derivable from the finding that the level of education attained does not in any way affect household accounting practices despite statistical proof that those who are well educated will perform better than less educated families should not be ignored entirely. This portends to say that financial management was probably habitually learnt at home, especially from parents.

It was further recommended that all household should be involved in household accounting irrespective of their geographical location. This is considered a direct response to the observation made that geographical location of families has significant relation with household accounting practices of sampled families in Ogun State. This is more as household accounting knowledge is believed to enhance family relationships and accountability.

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