

The Influence of Accountant Characteristics on Transaction Management and Business Performance in Private Firms in Ebonyi State

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Abstract

The increasing complexity of business operations in Nigeria has highlighted the importance of accountants' skills, experience, and personal attributes in influencing both transaction management and overall firm performance. This study investigates the influence of accountant characteristics, educational background, professional experience, ethical orientation, and technological competence on transaction management and business performance in private firms in Ebonyi State. Using a survey research design, data were collected from 383 respondents drawn from private firms across the state. A t-test analysis was conducted to test the formulated hypotheses. Findings reveal that accountant characteristics significantly influence transaction accuracy, transparency, and timeliness, which in turn impact profitability, operational efficiency, and competitiveness of firms. The study concludes that accountants with strong professional qualifications and technological adaptability improve firm performance through effective transaction management. It recommends that private firms in Ebonyi State should invest in continuous professional development, promote ethical standards, and embrace digital accounting tools.

Keywords: Accountant Characteristics, Business Performance, Private Firms, Transaction Management.

INTRODUCTION

Private firms play a critical role in the economic development of Nigeria by providing employment, stimulating innovation, and contributing significantly to the nation's gross domestic product (GDP). The survival and growth of these firms depend largely on how effectively financial resources are managed, particularly through the management of transactions and the provision of accurate business information. Accountants are central to this process because they ensure that financial transactions are properly recorded, analyzed, and reported in ways that promote accountability and decision-making. However, the ability of accountants to perform these tasks effectively is influenced by their personal and professional characteristics, such as educational qualifications, professional certifications, years of experience, ethical orientation, and technological competence (Onyema & Okeke, 2020).

In recent years, private firms in Ebonyi State have faced growing challenges, including weak access to capital, poor infrastructure, low investor confidence, and high competition from larger firms. These challenges make it imperative for firms to strengthen their internal capacities, particularly in financial management. Accountants, by virtue of their role, provide the backbone for sustainable growth by

managing financial transactions efficiently and ensuring that business performance is continuously monitored and improved. Where accountants possess strong professional attributes, firms are more likely to enjoy improved transaction management practices such as transparency, accuracy, and timeliness in financial reporting, which in turn enhances overall business performance (Eze & Nwosu, 2021).

Globally, research has shown that firms with competent accountants experience better outcomes in terms of profitability, operational efficiency, and long-term sustainability. For instance, Frolick, Thilini, and Ariyachandra (2012) observed that management processes, including financial transaction management, are critical to achieving superior business performance. In the Nigerian context, Olatunji (2017) emphasized that accountants with strong ethical values and professional training reduce fraudulent practices and manipulation of records, thereby improving organizational credibility. Similarly, Ijeoma (2019) highlighted that technological competence among accountants increases the accuracy and timeliness of reports, allowing firms to make informed strategic decisions.

The Human Capital Theory by Becker (1964) provides a theoretical foundation for understanding this relationship. The theory argues that education, training,

and experience constitute forms of human capital that enhance employee productivity. Applying this to the accounting profession, the knowledge, skills, and attributes of accountants can be considered investments in human capital that yield returns in the form of improved transaction management and business performance. This theoretical perspective underscores the need for firms in Ebonyi State to pay attention to the characteristics of the accountants they employ. Despite the acknowledged importance of accountants, there is still limited empirical evidence that examines how their characteristics influence firm performance in Ebonyi State. Most existing studies focus on larger urban centers such as Lagos, Abuja, or Port Harcourt, leaving a gap in the literature on the unique context of Ebonyi State, where private firms often face distinct operational challenges (Onyema & Okeke, 2020; Eze & Nwosu, 2021). Furthermore, while previous research has investigated the relationship between financial expertise and firm profitability, few studies have simultaneously examined the mediating role of transaction management. This gap provides the rationale for the present study.

Therefore, this study seeks to investigate the influence of accountant characteristics on transaction management and business performance in private firms in Ebonyi State. By exploring this relationship, the study contributes to both theory and practice, offering evidence on how human capital in accounting affects organizational outcomes. It also provides practical guidance for business owners, policymakers, and professional accounting bodies on strategies to enhance firm performance through the capacity development of accountants.

LITERATURE REVIEW

Accountant Characteristics and Transaction Management

Accountant characteristics encompass the skills, qualifications, ethical orientation, and professional experience that define how accountants perform their roles. Prior research suggests that accountants' educational qualifications directly influence their capacity to manage complex transactions effectively (Onyema & Okeke, 2020). Ethical orientation is equally vital; accountants with strong ethical principles are less likely to manipulate records, thereby improving transparency and accountability (Olatunji, 2017). Transaction management refers to the processes

involved in recording, verifying, and reporting financial activities. Accountants with high technological competence and experience in digital accounting tools like QuickBooks and SAP tend to deliver more accurate and timely financial information (Ijeoma, 2019).

Accountants are central to the financial operations of any business, particularly in private firms where internal control systems are often less formalized compared to larger corporations. Their characteristics, encompassing educational background, professional certifications, years of experience, ethical orientation, and technological competence, determine the quality of transaction management. Transaction management refers to the systematic processes of recording, verifying, monitoring, and reporting financial activities to ensure accuracy, accountability, and timeliness (Ijeoma, 2019). Without effective transaction management, firms face risks of fraud, financial misstatements, and poor decision-making, all of which hinder long-term sustainability. One of the most important characteristics of an accountant is educational qualification. The level of formal education attained by an accountant influences their ability to understand complex financial transactions and apply international accounting standards. Onyema and Okeke (2020) observed that accountants with higher academic qualifications demonstrate superior analytical abilities, which are crucial for managing multi-layered transactions in dynamic business environments. Educational qualifications also expose accountants to contemporary accounting practices and theories, which strengthen their capacity for effective transaction management.

Closely related is professional certification, such as membership in the Institute of Chartered Accountants of Nigeria (ICAN) or the Association of National Accountants of Nigeria (ANAN). Certified accountants possess technical knowledge of accounting principles, auditing standards, and regulatory requirements. Professional certifications also emphasize ethical conduct, thereby reducing the likelihood of fraudulent practices. Olatunji (2017) argued that accountants with professional certifications are more likely to maintain accurate transaction records and uphold transparency in reporting, enhancing the reliability of financial information. Experience is another defining characteristic that significantly influences transaction management. Experienced

accountants tend to demonstrate greater problem-solving abilities and are better equipped to handle complex financial operations. According to Eze and Nwosu (2021), accountants with longer years of experience are often able to identify irregularities in transactions quickly and propose practical solutions, thereby minimizing financial risks. Experience also provides insights into sector-specific transaction patterns, which is particularly useful in private firms across different industries in Ebonyi State, including manufacturing, commerce, and services.

The ethical orientation of accountants is equally important. Transaction management requires honesty, transparency, and accountability, qualities that are directly shaped by ethical values. Accountants who adhere to high ethical standards are less likely to engage in fraudulent manipulation of records or collude with management in the misappropriation of funds. Olatunji (2017) emphasized that ethics serves as the moral compass guiding accountants in ensuring that transactions are recorded faithfully and reported truthfully. Unethical practices, on the other hand, lead to misrepresentation, loss of investor confidence, and eventual decline in business performance. In today's digital economy, technological competence has become a key accountant characteristic. The ability to use accounting software such as QuickBooks, Tally, and SAP enables accountants to process transactions faster, with fewer errors, and in compliance with regulatory requirements. Ijeoma (2019) noted that accountants with high levels of technological competence are able to manage large volumes of transactions efficiently and generate real-time reports that aid management decision-making. In Ebonyi State, where many firms are gradually embracing digital tools, the technological proficiency of accountants can make the difference between firms that thrive and those that struggle with outdated manual systems.

The relationship between accountant characteristics and transaction management is further supported by the Human Capital Theory (Becker, 1964), which emphasizes that education, skills, and training enhance productivity. When accountants possess advanced qualifications, ethical standards, professional certifications, and technological competence, the effectiveness of transaction management increases. This not only improves financial reporting quality but also strengthens the credibility and operational efficiency of private firms.

Thus, transaction management is not merely a technical function but a reflection of the competencies and attributes of accountants. The evidence suggests that firms in Ebonyi State can significantly improve their transaction management systems by employing accountants with strong educational backgrounds, relevant professional certifications, extensive experience, ethical discipline, and technological adaptability. These characteristics ensure that financial activities are properly managed, creating a foundation for improved decision-making, accountability, and long-term business performance.

Accountant Characteristics and Business Performance

Business performance can be assessed through profitability, growth, and competitiveness. Accountants contribute to firm performance not only by ensuring accurate financial records but also by providing financial analysis that guides strategic decisions (Frolick, Thilini & Ariyachandra, 2012). In Nigeria, SMEs and private firms often suffer from poor performance due to inadequate financial expertise (Ogunleye & Osho, 2015). Empirical studies show that firms managed by accountants with higher professional qualifications, such as ICAN or ANAN membership, achieve better financial outcomes compared to those with unqualified accountants (Eze & Nwosu, 2021). Business performance is a multidimensional construct that reflects a firm's ability to achieve profitability, growth, operational efficiency, and sustainability. In private firms, particularly in developing economies such as Nigeria, accountants play a strategic role in shaping these outcomes. Their characteristics, ranging from educational qualifications and professional certifications to experience, ethical orientation, and technological competence, significantly influence how well businesses are able to optimize resources, reduce financial risks, and maintain competitiveness (Adebayo, 2019).

Educational qualification is a vital characteristic of an accountant that directly impacts business performance. Accountants with higher academic training are more likely to understand advanced financial models, regulatory frameworks, and international best practices. This enhances their capacity to provide accurate financial reports and strategic advice to management. For instance, Onyema and Okeke (2020) found that firms employing accountants with postgraduate qualifications achieved

better profitability margins due to more sophisticated financial planning and cost control measures. Education not only equips accountants with technical knowledge but also sharpens critical thinking skills, which are essential for supporting strategic decision-making and long-term business growth.

Another defining characteristic is professional certification. Accountants who are members of professional bodies such as the Institute of Chartered Accountants of Nigeria (ICAN) or the Association of National Accountants of Nigeria (ANAN) possess rigorous training in financial management, auditing, taxation, and ethical standards. These certifications signal credibility and competence to stakeholders, thereby enhancing investor confidence and access to credit facilities. Olatunji (2017) argued that firms with certified accountants reported fewer cases of financial mismanagement and showed stronger business performance indicators, particularly in terms of return on investment and operational efficiency.

Experience also plays a significant role in linking accountant characteristics to business performance. Experienced accountants are more capable of navigating complex financial environments, identifying risks, and recommending solutions that improve efficiency. According to Eze & Nwosu (2021), accountants with extensive years of professional experience tend to design better internal control systems, which minimize wastage and fraud, thereby improving profitability and firm survival. In Ebonyi State, where many private firms face volatile market conditions, the experience of accountants can be a stabilizing factor that ensures sustainability. Equally important is ethical orientation, which shapes the integrity and trustworthiness of financial practices within firms. Accountants with strong ethical standards foster transparency and accountability, ensuring that financial statements reflect the true state of business affairs. This, in turn, builds stakeholder confidence and attracts investors. Conversely, unethical behavior such as fraudulent reporting can damage reputations, lead to regulatory penalties, and threaten long-term survival (Olatunji, 2017). Business performance is therefore positively associated with accountants' adherence to professional ethics.

In the modern business landscape, technological competence has become indispensable. Accountants proficient in digital tools such as QuickBooks, Sage, Tally, and SAP streamline financial processes, reduce

errors, and provide management with real-time data for decision-making. Ijeoma (2019) noted that firms with technologically skilled accountants demonstrated higher levels of operational efficiency and adaptability, which translated into improved competitiveness and profitability. In Ebonyi State, where private firms are gradually adopting digital systems, accountants' technological competence directly influences business outcomes. The link between accountant characteristics and business performance can also be explained through the Resource-Based View (RBV) of the firm, which posits that valuable, rare, inimitable, and non-substitutable resources create sustainable competitive advantage (Barney, 1991). Accountants' skills, experience, ethical values, and technological knowledge can be regarded as intangible assets that improve firm performance. When firms leverage these human capital resources effectively, they can outperform competitors in terms of profitability, customer satisfaction, and market share. Succinctly, accountant characteristics are not merely individual attributes but critical drivers of organizational outcomes. By combining technical expertise, ethical integrity, and technological adaptability, accountants contribute significantly to the financial health and strategic direction of private firms. In contexts like Ebonyi State, where firms often struggle with resource constraints and regulatory pressures, the presence of competent accountants can determine whether a business merely survives or achieves sustainable growth.

Many private firms in Ebonyi State struggle with poor financial management practices, inaccurate transaction records, and weak performance. Inadequate accountant qualifications, lack of technological skills, and ethical issues such as misappropriation of funds exacerbate these challenges. Consequently, firms face difficulties in sustaining operations and competing effectively. While research has examined firm performance broadly, little attention has been given to the role of accountants' personal and professional attributes in shaping business outcomes in Ebonyi State.

The objectives of this study are to: (1) Examine the relationship between accountant characteristics and transaction management in private firms in Ebonyi State, (2) Investigate how accountant characteristics influence business performance in private firms in Ebonyi State, (3) Determine whether transaction

management mediates the relationship between accountant characteristics and business performance.

METHODS

Research Design: The study adopted a survey research design, appropriate for collecting quantitative data from a large population. *Population of the Study:* The population consisted of accountants, finance officers, and managers in private firms registered under the Ebonyi State Chamber of Commerce and Industry. *Sample Size Determination:* Using Krejcie and Morgan's (1970) sample size determination table, a sample of 383 respondents was drawn from the population.

Sampling Technique: A stratified random sampling technique was adopted to ensure representation across sectors such as commerce, manufacturing, and services. *Instrumentation:* A structured questionnaire was used, divided into three

sections: demographic information, accountant characteristics (educational qualification, experience, ethics, technological skills), transaction management, and business performance. A five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was employed.

Validity and Reliability: The instrument was validated by experts in accounting and business management. Reliability was tested using Cronbach's Alpha, yielding coefficients above 0.7, indicating high reliability. *Method of Data Collection:* The questionnaires were distributed physically and electronically to respondents, with a retrieval rate of 85%. *Method of Data Analysis:* Data were analyzed using descriptive statistics and inferential analysis. The hypotheses were tested using t-test statistics, appropriate for comparing group means and determining significance.

RESULTS AND DISCUSSION

Hypothesis Testing

Hypothesis One H01: There is no significant relationship between accountant characteristics and transaction management.

Table 1. Correlation and Mean Analysis between Accountant Characteristics and Transaction Management

Variables	Mean	SD	r-value	p-value	Decision
Accountant Characteristics	4.02	0.56	0.642	0.000	Significant
Transaction Management	3.87	0.61			

Interpretation: With $r = 0.642$ and $p < 0.01$, accountant characteristics positively and significantly correlate with transaction management. Null hypothesis rejected.

Hypothesis Two H02: There is no significant relationship between accountant characteristics and business performance.

Table 2. Correlation and Mean Analysis between Accountant Characteristics and Business Performance

Variables	Mean	SD	r-value	p-value	Decision
Accountant Characteristics	4.02	0.56	0.718	0.000	Significant
Business Performance	3.94	0.63			

Interpretation: With $r = 0.718$ and $p < 0.01$, accountant characteristics positively and significantly correlate with business performance. Null hypothesis rejected.

Hypothesis Three H03: Transaction management does not mediate the relationship between accountant characteristics and business performance.

Table 3. Correlation and Mean Analysis of Mediation Effect

Variables	Mean	SD	r-value	p-value	Decision
Transaction Management	3.87	0.61	0.589	0.001	Significant
Business Performance	3.94	0.63			

With $r = 0.589$ and $p < 0.01$, transaction management significantly mediates the relationship. Null hypothesis rejected.

The study provides compelling evidence that accountant characteristics significantly influence both transaction management and business performance in private firms in Ebonyi State. This confirms the assertions of Onyema and Okeke (2020) that accountants with strong qualifications deliver better financial reporting. The correlation of 0.642 between accountant characteristics and transaction management underscores the critical role of accountants in ensuring accurate, transparent, and timely transaction processing. This resonates with Ijeoma's (2019) emphasis on the importance of technological competence. The correlation of 0.718 between accountant characteristics and business performance suggests that firms employing qualified and ethical accountants achieve superior profitability and competitiveness. This finding aligns with Eze and Nwosu (2021). Finally, the mediation effect of transaction management ($r = 0.589$) highlights that accountant characteristics translate into improved firm performance primarily through effective management of transactions. This supports the Human Capital Theory, which posits that employee attributes enhance organizational productivity.

CONCLUSION

This study examined the influence of accountant characteristics on transaction management and business performance in private firms in Ebonyi State. The findings confirm that accountant characteristics significantly improve transaction management and, in turn, enhance business performance. Transaction management also mediates the relationship, underscoring the importance of competent accountants in achieving sustainable growth.

Recommendations

1. Private firms should invest in continuous professional development programs to keep accountants updated on emerging practices and technologies.
2. Professional bodies like ICAN and ANAN should enforce stricter ethical guidelines to minimize fraudulent practices.
3. Firms should encourage accountants to acquire digital skills and invest in accounting software for efficient transaction management.
4. Firms should prioritize the recruitment of qualified and certified accountants.

5. Partnerships between private firms and academic institutions in Ebonyi State should be strengthened to improve the practical readiness of accounting graduates.

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