

## **Sociolinguistic role of accounting as the language of business in Ojo and Mushin Local Government areas of Lagos State**

**By**

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### **Abstract**

Accounting, the language of business globally, has also been used especially in a developing country such as Nigeria. A remarkable number of traders in such environments have been observed that keeping records and tallying accounts in an understandable language was rather puzzling to them because of most of them could not read nor write well in English, which might result in the non-sustainability of such businesses. Investigations revealed the sociolinguistic importance of accounting as the language of business basically dealing with figures, usually reflected in accounting vocabularies and phrases which portrayed the total efforts of people and the activities of a business enterprise in terms of cost, profit or loss, which reflected the grammatical part of accounting in connection with a particular business organization, thereby showing the informative role of language in business. The study also revealed that many traders lacked the literacy to record their business transactions owing to poor education resulting in the engagement of personnel to record business transactions for them. The paper concluded that efforts should be made to encourage literacy among the uneducated traders so as to be literate enough in English for business purposes and accounting, save cost and eliminate financial fraud to enhance the sustenance of their businesses in the ever changing world of global business.

**Keywords:** Sociolinguistics, perception, accounting and business.

## 1. Introduction

Needles and Powers(2013) portrayed accounting as the measurement, processing and communication of financial information about economic entities and businessmen to measure the outcome of an organization's economic activities while the tool that could assist would be accounting language. This is related to the fact that accounting is a field that helps to convey information to a variety of users that include investors, creditors, management and regulators, especially in a developing country such as Nigeria. The foregoing implies that accounting as the language of business is communicative, informative and even regulative as a result of the actors and the economic activities indicated above. Therefore, it is very important to examine the role of accounting as the language of business. For this purpose, particular emphasis should be placed on the vocabulary and the grammatical part of accounting in an attempt to verify whether or not it is the language of business.

Besides, it is important to verify whether there is any significant relationship between accounting as the language of business and the sustainability of business especially in a developing country. This is very important as Okpara and Wynn (2007) opined that in almost all economies, trading was vital for sustained growth but that a high failure rate was a huge negative for an economy, especially a developing economy with limited capital and that a survey gathered data from almost 400 small businesses in Nigeria to find the principal constraints to success and findings indicated that poor recordkeeping was one of the principal factors. This observation may be linked to the perception that poor language skills, especially reading and writing necessary for record keeping was in short supply among traders.

Therefore, this study is important because it will show the importance of language in trading especially in Mushin and Ojo local council areas despite the linguistic diversity of traders in the markets. The study is also important because it may reveal the importance of learning the local language of a business environment in order to interact with customers from other ethnic groups and retain them since trading contributes a lot to full time and part – time employment especially for those who may be bilingual or multilingual. Again it brings to the fore the issue of lingua franca to be used among traders in particular and Nigerians in

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general with the issue of distrust for differences in language and culture which may lead to conflicts. In fact there were reports that whenever Ladipo Market was shut by Lagos State government, many, especially the traders read ethnic motive to it and often see the state government as wicked and interventionist moves were often made by certain Igbo leaders, who use their goodwill to intercede for the traders (Anazia, 2014). Finally, the study is significant because it underscores the need for government to create more schools to cater for those interested in adult education for the purpose of business.

## 2. Literature review

### 2.1 The concept of accounting

Campbell\_Kibler (2010) claimed that the social perception and evaluation of language are key elements in sociolinguistic phenomena and that interest in the perceptual study of variation of language use has grown over the years. This argument may have partly stimulated the interest of this study to investigate the perception of accounting as the language of business. Oler, Oler and Skousen (2010) described practitioners of accounting as accountants saddled with the responsibility of preparing financial statements prepared in accordance with generally accepted accounting principles. It is interesting to note that the term 'financial statement' mentioned above reflected the role of language as informative.

According to Thorne (1997), the declarative sentence is used to express a statement. This is also observable in financial statements as the declarative sentence is used to convey financial information. Business Education Standards (2007) similarly described accounting as the language of business used to communicate the financial results of an enterprise to various users, explaining further that as the language of business accounting was an integral aspect of all business activities and that the mastery of fundamental accounting concepts, skills, and competencies was essential to making informed business decisions. Again this submission re-emphasized the communicative function of language, which in turn supports the view that accounting is the language of business. Based on the foregoing, it is evident that accounting language is crucial in recording business activities. Udaya (2011) claimed that

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accounting had rightly been termed as the language of the business for keeping records, classifying, analyzing and communicating all the business transactions that had taken place during a particular period. This definition implies that accounting as the language of business is characterized by words depicting records, structurally classifying, analyzing and communicating information about business transactions that had occurred as illustrated below:

**Hypothetical business activities**

1. Purchase raw materials.	4. Enter goods into work in process inventory.	7. Enter goods into finished goods inventory
2. Enter goods into raw materials inventory.	5. Pay suppliers or pay employees (at service companies)	8. Sell the inventory
3. Begin the manufacturing or assembly process.	6. Complete the manufacturing or assembly process	9. Collect payment for credit sales

**(Source: Accounting - Basic Accounting, 2014).**

The illustration above indicates that accounting as the language of business basically deals with figures usually reflected in accounting vocabularies and phrases such as purchase, sell, collect, payment, etc. which may also be perceived as the systematic language of business which graphically describes the total efforts and activities of traders in terms of sales, supply, credit, cost, profit or loss, the grammatical part of accounting as syntactically arranged in their inventory, giving information in connection with a particular business organization.

Similarly, Berg (2011) defined accounting as the universal language of business which involved the process of recording what happened in a business on a daily basis and simultaneously recording the economic meaning of the transaction and categorizing them for decision taking and making usually summarized into a standard format such as balance sheet, income, statement of cash flow, etc. This implies that accounting as the language of business is semantic and it is important, therefore, to examine the language resources explored in the process of recording economic transactions in standard formats as indicated above. This may help to reveal language use in the accounting sector of the society.

Also, Shanker (2014) noted that accounting as the language of business had its own rules and definitions that seemed odd to individuals with no financial background and that

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there was the need for accountants to communicate the meaning behind the numbers in a way that was clear and understandable to nonfinancial individuals. This is crucial to the sustainability of business organizations especially for business owners to be able to comprehend the meaning behind accounting figures and this implies that accounting as the language of business is semantic (Ayoola & Adeniyi,1999), a characteristic of language which gives meaning to business records accounted for.

**2.2 Why accounting is described as the language of business**

Angelis (2012) argued that accounting was commonly referred to as the language of business with a method of communicating financial information. He contended further that one of the purposes of any language was to enable the communicator to communicate a message to all people in a clear and concise manner and that accounting language contained accounting principles, concepts and ideas which had been developed over the years. This implies that for the purpose of sustainability traders in developing countries need to know the method of communicating financial information clearly and concisely for the purpose of measuring the performance of their business.

Trapagner (2014) explained that accounting is the language of business because of its role in maintaining and processing all relevant financial information that an entity or company required for its managing and reporting purposes. This is usually aimed towards the sustainability of businesses. However, the ability to report or record business transactions in a multilingual setting like Nigeria becomes a problem as many traders lack the ability to write or record their trading transactions in English which Neeley (2012) identified as the official language of government and formal business transaction in line with the global trend. This implies that traders resort to use other languages to trade and this development may have helped to sustain the need for the bilingual or the multilingual status of many traders in Lagos.

The complex language situation in Lagos is further heightened by the observation of McGee (1999) that the globalisation of world business, technology and trade has brought

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about a huge increase in the demand for all types of English for Specific Purposes(ESP) teaching. Fiorito(2014) has argued that ESP concentrates more on language in context than on teaching grammar and language structures, covering subjects varying from accounting or computer science to tourism and business management. The interest of this study lies in the focal point of ESP that English is not taught as a subject separate from the students' real world but integrated into subject matter area important to the learners as in the case of traders who might want to upgrade their oral and writing skills.

### **2.3 Historical perspectives of accounting as the language of business**

Popik (2014) recently highlighted historical views on accounting as the language of business pointing to the fact that accounting had frequently been called the language of business as far back as 1927, 1947 and 1958. Thus accounting was described as the language of figures (business) which was the only common denominator available to solve the conflicting interests of capital, labour, management and the public. This submission is a confirmation of the communicative proficiency of accounting as the language of business needed for sustainability especially in a developing country, as well as its sociolinguistic relevance.

Different arguments have been posited on why accounting is described as the language of business. Related to this is the submission of Holmes(2001) who argued that sociolinguistics examines all aspects of the relationship between language and society, apart from claiming that many sociolinguists are concerned with the applications of sociolinguistic research in areas such as language teaching and learning, language policy development, and the use of language in legal contexts. This can also be extended to include accounting as the language of business, thus the need to examine it critically. Besides, Sims and Genduso(2007) explained how the language of accounting could be used to blur unethical business practices by providing companies with a vocabulary that could be used to conceal an array of corporate misdeeds. This claim is of interest to this study because it will enhance the sustainability of businesses especially in a developing economy.

Similarly, Popik (2014) citing Dickson (1947) and Greensboro (1949) added two different historical perspectives to the foregoing. Dickson claimed that accounting was the language of business and noted that government was business, the biggest and most important business in the world. This is of interest to this study because it explains why the words 'private' and 'public' subsist in accounting as the language of business especially in most developing countries where governments are the major players in economic activities. Meanwhile, Greensboro stated that accounting was the language of business and that the certified accountant was the man that must interpret business to the public for better understanding. Thus, it can be claimed that accounting language helps in interpreting business, which is important for sustainability thereby emphasizing sociolinguistic perception of it as the language of business.

#### **2.4 Sociolinguistic perception of accounting**

The framework for this study is sociolinguistics because it centres on language functionality of accounting in business cycles. McGee (1991) as stated earlier, argued that the globalisation of world business, technology and trade had brought about a huge increase in the demand for all types of English for Specific Purposes teaching (ESP) and also opined that the skills required for a successful business presentation by non-native speakers, are rooted in both linguistic and sociolinguistic aspects. The aim of this article is to examine the perception of accounting as the language of business presentation within a sociolinguistics framework.

Trudgill (1974) stressed the fact that sociolinguistics is a branch of linguistics occupied with language as a social and cultural phenomenon which investigates the field of language and society and that it has close connections with the social sciences, especially social psychology, anthropology, human geography and sociology. This may go a long way to explain the sociolinguistic interest in the study of accounting as the language of business. Again this is significant to this study as accounting is an activity that operates within the human society.

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Roney (2001) argued that language is socially constructed and embedded in culture. This becomes a problem in a multilingual scenario such as Lagos where there are numerous non-native traders who need to understand the language of the environment, Yoruba, along with its cultural values on age, status, etc while embarking on business transactions to avoid conflict. It is a known fact that as human beings, we need to communicate with other people. In order to achieve this, Rakman and Setiawan (2014) noted that there would be the need for a tool called language. Thus it is not surprising that accounting explores language in communicating or conveying information in trading since traders exist within human societies. Besides, Belkaoui (2014) argued that accounting was a language according to the Sapir-Whorf hypothesis and that its lexical characteristics and grammatical rules would affect the linguistic and nonlinguistic behaviour of users.

Belkaoui (1984) had earlier opined that basically, individuals from different language groups had a different perception of the same accounting concepts and that each linguistic group seemed to develop its own "accounting language and repertoire". This may also explain why there is no uniform accounting method or language among the small businesses examined for this study as the owners were from different ethnic groups; however, there were many areas of convergence. This submission goes a long way to support sociolinguistics as the theoretical framework of this study.

Furthermore, Neeley (2012) theorized that English had become the global language of business with several multinational companies mandating English as the common corporate language. The author also claimed that English was the fastest-spreading language in human history, spoken at a useful level by some 1.75 billion people worldwide, one in every four of us, with close to 385 million native speakers in countries like the U.S. and Australia, about a billion fluent speakers in formerly colonized nations such as India and Nigeria, and millions of people around the world who had studied it as a second language, apart from an estimated 565 million people using it on the internet.

The foregoing submission has implications especially for traders who would like to remain relevant in the emerging business environment in Lagos in particular and Nigeria in

general. From the sociolinguistic point of view, it may be logical to argue that accounting as the language of business is necessary for sustainability in a developing country such as Nigeria especially with the use of modern technology, for example the internet through which buying and selling takes place now. Besides, the widespread of English globally as indicated above also buttressed the view that accounting is the language of business with the same accounting principles and practice across local and international business/economic borders.

However, Iwuchukwu, (2013) critically examined the attitude and literacy level among Igbo traders. The study revealed that it was not uncommon for a young Igbo trader from Anambra State to announce proudly that he was now at UNN, "University of Nkwo Nnewi", representing various markets in Nigeria where Igbo boys who dropped out of schools and attached themselves to prosperous businessmen for apprenticeship before establishing their own businesses commune together. This is an indication of the poor literacy levels among these traders many of whom may be traders in the markets of Mushin and Ojo local council areas in Lagos. The study revealed that this group of traders faced more problems in business than their lineage because information technology had rendered moderate education inadequate for the business transactions of today. Therefore, some of them desired to go back to school, especially those forced into business but still craved for formal education but could not gain the desired access to education, an indication of the issue of wider access to education.

### 3. Methodology

The study population for this study was based on markets in Ojo and Mushin local government council areas, including traders at Ladipo Spare Parts Market, Mushin, Trade Fair Complex, Mile 2 Badagry Expressway and Alaba International Market, Ojo. The sample size for this study was 100 traders-30 respondents each from Alaba and Trade Fair markets were interviewed while 40 respondents were interviewed from Ladipo market.

The instruments for data collection were interviews and personal observation. The interviews were not structured in the same pattern because sometimes, the response of a

respondent determined the next question. The sample for this study was observed for three weeks (between 1st and 21st October, 2014). Stratified sampling techniques were used to select the traders. Three sections were created for the purpose of this study which was the auto-parts section, the electronic section and others. The markets were selected because they were considered to have the large concentration of traders in Lagos in terms of size, high rate of patronage, multiple linguistic composition and easy accessibility to the traders, customers and the researcher to conduct interviews and make personal observations by physically observing business transactions/accounting and the linguistic behaviour of traders for a period of three weeks, one week at each market. Content analysis technique (Holsti, 1969) was used for making objective and systematic linguistic characteristics of messages or business transactions observed.

#### 4. Findings

Findings revealed that close to 65% of the respondents dropped out of secondary school and would like to go back to school. Seven respondents went back to school to study management related courses in tertiary institutions located to their business while 23 of them were doing the same as at the time of this study totalling 30% for respondents who struggled to go back to school. 69% of them claimed they were forced into trading business by unemployment as secondary school dropouts. About 12% engaged private teachers to help improve their oral skill to enhance their ability to interact with customers and writing skills to issue receipts and record sales. Sadly, few older traders were interested in going back to school most likely due to age.

Observations also revealed that many of the respondents, particularly the younger ones were frustrated, very aggressive and antagonistic in terms of behaviour in agreement with the study of Iwuchukwu (2013) probably because they were unsuccessful in their business or uneducated.

Again the study also revealed a kind of linguistic behaviour among traders and their customers as indicated sections below.

#### **4.1 Alaba market**

In the course of investigation certain interesting discoveries were made. At the Alaba International Market the cattle herdsmen were native speakers of Hausa language and they had intermediaries who were mainly speakers of Yoruba language. Occasional use of Pidgin English was also observed owing to the level of illiteracy of the traders. However, there was no book keeping observed indicating mental inventory of transactions made in the course of this investigation.

In the electronic section of the market, the business owners were mainly native speakers of the Igbo language who spoke in either Pidgin English or English. Observations revealed the use of code switching when the business owners and their shop assistants were dealing with non-native speakers of Igbo language. However, observations revealed an appreciable level of record keeping and accounting among this class of traders. Furthermore, so about 49% of shop assistants and business owners interviewed there confirmed the patronage of adult education centres after work to improve their reading, writing, listening, speaking and calculating skills.

#### **4.2 Trade fair market**

One eye-catching linguistic feature of the Trade Fair Complex was the division of the market into sections and naming them after the thirty-six states of Nigeria and the Federal Capital, Abuja giving it a national outlook. Observations also revealed that there was a mixture of fairly educated (38%) and not so much educated traders and shop assistants (62%) most of whom were involved in record keeping although few, especially the auto-parts traders were not so much keeping records except for few with literate shop assistants.

#### **4.3 Ladipo market**

The Ladipo Market was basically an auto-spare parts dealers' market. About 35 % kept record of sales while the remaining 65% managed to keep records of only vital transactions like their counter-parts at the Trade Fair Market. Observations revealed low level of education

was also responsible for poor record of transactions but a high rate of code-mixing (Igbo and Yoruba) and even multilingualism among traders and their shop assistants, apart from the dominant use of the Pidgin English.

## 5. Conclusion and implications of the study

From the sociolinguistic perspective, this study has shown that language plays a major role in accounting for business transactions and record keeping for sustainable development particularly in a multilingual economic setting as experienced in Lagos, Nigeria. Again, the study revealed that Pidgin English is commonly used to interact between business owners and customers while English is used to record business transactions. Furthermore, the study revealed that the multilingual economic setting of Nigeria has compelled or motivated business owners to become functional bilinguals or multilingual who try to learn or acquire one other national language in addition to their mother tongue and English language.

Also, the study revealed that accounting as the language of business basically deals with figures, usually reflected in accounting vocabularies and phrases described as the systematic language of business which graphically portrayed the total efforts of people and the activities of a business enterprise in terms of cost, profit or loss. Besides, accounting as the language of business has the capacity to unravel unethical business practices and financial misdeeds which would also assist to guarantee the sustainability of economic development. In addition, the study showed that accounting as the language of business is informative, interactive, narrative and communicative in a way that would assist in taking vital decisions geared towards the sustainability of businesses. Moreover, the study revealed that accounting as the language of business could adapt to changes in response to the socio-cultural and business environment where it operates for enhancing the sustainability economic activities especially in developing countries as experienced with the internet. This in line with what the globalisation of world business, technology and trade has brought with it resulting in the demand for all types of English for Specific Purposes (ESP) teaching.

Finally, the study has some implications which include the need to make learners see the need to learn or acquire a second language to be functional in the business/academic environment they may find themselves at least within Nigeria to remove communication barriers and distrust. It also implies that efforts should be made to create better equipped adult education centres for business owners who would like to develop their reading and writing skills to enhance their business activities and accounting.

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