THE INFLUENCE OF BEHAVIOR OF SMEs ON USE OF ACCOUNTING INFORMATION SYSTEMS IN MSMEs

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Abstract: Micro, Small and Medium Enterprises (MSMEs) are business units managed by community groups and families. MSMEs have a strategic role in national economic development because they can also absorb many workers apart from contributing to national economic growth. The ability to provide and use accounting information is one of the areas for improvement on the management side. The population in this study are owners of small and medium businesses spread across the East Medan sub-district. According to the trade service and the Office of Cooperatives and Small and Medium Entrepreneurs in the East Medan sub-district, that is as many as 162 units. The sample in this study was 62 MSME owners. The sampling technique used was purposive sampling based on specific considerations or criteria. From the simple regression analysis test results, the behaviour of MSME actors has a positive effect on the use of accounting information systems. From the t-test results, the variable Behavior of MSME Actors is significant to the Use of Accounting Information Systems.

Keywords: Actor's Behavior, SMEs, Accounting Information Systems

INTRODUCTION

It is becoming increasingly evident in today’s rapidly evolving business environment that Micro, Small and Medium-Sized Enterprises (MSMEs) development and growth play a crucial role in a nation's economy (Bagale et al., 2021). The MSME sector generally creates jobs, encourages economic growth, and accelerates income distribution through business opportunities (Ayandibu & Houghton, 2017). Given that Indonesia’s current financial system has built on the existence of small and medium-sized industries, MSME growth is essential there.

Data from the Ministry of Cooperatives and Medium Enterprises for 2020 provides evidence of this. The number of MSME actors in 2018 was 64,194,057, or 99.99% of the number of business actors in Indonesia. The absorption capacity of the MSME workforce is 116,978,631 people, or 97% of the absorption capacity of the workforce in the business world.

An MSME is a type of business that is run by an individual or group of individuals with a particular amount of money and has the potential to create flexible business processes (Ulas, 2019). MSMEs usually record manually, such as manually filling in documents and manual calculations, and are prone to errors caused by human error. As well as proof of transactions in the form of paper, it is possible that there is proof of transactions that are damaged or lost, so data relating to sales and purchases is often lost. In recording Micro, Small and Medium Enterprises (MSMEs), they have yet to carry out accounting steps, such as journalizing and recording ledgers to prepare financial reports...
(Iriyadi et al., 2018). Then an essential role of accounting is needed to manage the company’s financial information resources.

However, many MSME actors (owners) believe that recording is not essential for their business; hence, they use accounting records for specific transactions. Since MSME players sometimes combine their finances with sales revenues and their business’s earnings are not considered, they must know which payments are income and expenses. They routinely consume it and even think that all your revenue is profit if your business is prosperous.

The application of accounting in business among micro, small and medium enterprises still needs to improve. MSMEs frequently need help with a lack of understanding of the accounting record-keeping process. Small and midsize entrepreneurs are not necessarily lousy leaders just because they need experience leading them. They have imaginative, inventive brains and the guts to take chances and attempt things themselves. They finally succeed in their endeavours due to their willingness to take risks. In the middle of their careers, a few of these MSMEs have failed. It is a result of poor financial controls in their management.

MSME actors’ understanding of accounting can provide positive benefits for business success. It explains why managing UKM enterprises is more successful if MSME actors’ attitudes toward accounting information improve. Considering that the role of MSMEs is so significant for the country’s economy, efforts to improve the performance of MSMEs are necessary to maintain national economic stability, one of which is through the application and use of accounting information systems.

The reality is that many people with MSME businesses need to utilize accounting information to manage their business, especially in making investment decisions. One of the problems still faced by small and medium business actors is the problem of organizing and utilizing accounting information in managing their business (Lestari & Rustiana, 2019).

Because the business cycle in MSMEs is straightforward, accounting financial records are thought to be too complex to handle on a small scale, leading the players to believe that compiling financial reports is not crucial to their industry. Many micro, small, and medium-sized businesses must use accounting information systems. Firms utilize accounting data to guide decisions about the future of the enterprise. Therefore, it is strongly advised today for all business owners, even MSMEs, to use accounting information while making judgments.

The research phenomenon found in MSMEs in the East Medan sub-district is that many MSME actors in the East Medan sub-district still need to use accounting information systems in their business. Using an accounting information system in their company will help make it easier for financial management in their business. This results from MSME actors’ general awareness of the necessity of accounting records in their industry. They also think keeping records in their business is complicated because many MSME actors need to learn about accounting.

Even doing the recording manually for them is optional. Due to this, many MSME participants need to distinguish between capital and profits. They blend their income with their available funds; therefore, they must understand whether they are operating the business at a profit or a loss. Many areas for improvement were found, including marketing, human resources, operations, administration, and finance.
Behaviour results from various experiences and interactions with the environment manifested in knowledge, attitudes and human actions. Behaviour is a function of the interaction between an individual and his environment (Tebay, 2021).

The system is a set of elements or components and procedures that must be closely related (interrelated) to one another and function together to achieve the same goal (shared purpose). Information also means data processed into a form that is more useful and meaningful for those who receive it and describes an event for decision-making. The quality of information depends on being accurate, timely, relevant.

Accounting is frequently a business’s functional language for supplying data that decision-makers may use. A financial accounting process is the principal financial statement consisting of a balance sheet and an income statement. Outsiders (externals) are also parties with interest in financial statements, but this group does not have access to decision-making to influence the company's operating activities (Nuswandari, 2009).

The role of accounting is to produce accounting information generated by the activities of a company. The challenges that still need to be faced by MSMEs in Indonesia are the absence of a clear division of tasks between administration and operations and the low access of small industries in financing as a business (Jatmiko et al., 2021). The role of accounting in SMEs is to provide crucial financial information for SMEs in running their business (Salikin et al., 2014).

User behaviour is positively and significantly related to using accounting information systems in e-commerce (Nuryahya & Andini, 2019). Company size, education level, and length of business have a moderate relationship to the use of accounting information. Meanwhile, the educational background has a solid relationship to using accounting (Juwita, 2013). There is a positive influence on the perceptions of MSME actors and accounting knowledge on using accounting information (Astiani & Sagoro, 2018). Business scale and education do not affect the use of accounting information (Novianti et al., 2018). There is a significant relationship between accounting attitudes and the use of accounting information for young micro, small and medium business actors on business success (Rini & Laturette, 2019). User behaviour has a positive or significant relationship with using accounting information systems (Nuryahya & Andini, 2019).

Based on the description and research framework, the hypotheses that will be tested in this study can be formulated:

Ho: The behavior of MSME actors has no significant effect on the use of accounting information systems.

Ha: The behavior of MSME actors has a significant effect on the use of accounting information systems.
METHODS

The population used in this study are MSME actors in the East Medan sub-district, where most businesses are food and clothing businesses. The other MSMEs in the East Medan sub-district are workshops, Panglon, electronic businesses, and tailors.

Purposive judgment sampling, or the sampling approach based on particular reasons for selecting individuals from the population as a sample, is a non-probability sampling technique that determines the sample. Due to time and money restrictions, as well as the relatively high and diverse number of MSMEs in the Medan Timur District, the researcher used the general principles (rules of thumb) suggested by Morissan to determine the number of samples to be used, namely, for the study, 30 to 500 samples are the ideal number.

Based on the description above, the researchers determined a sample size of 62 MSMEs in the East Medan District. The sampling criteria in this study:

1. MSME actors in the East Medan sub-district whose MSME owners are 35-60 years old.
2. Businesses owned by MSME actors have at least five years of existence/operation.

This study used a sampling method, namely the purposive sampling method. The information collected is from purposefully chosen sources based on the researcher's criteria; hence, the purposive sampling approach was used.

The independent variable used in this study is the behaviour of SMEs. Behaviour results from human experiences and environmental interactions (Budiarto & JR, 2018). Behaviour can be in the form of knowledge, attitudes, and actions (Meinhold & Malkus, 2005). Human behaviour in 3 (three) areas/domains, namely cognitive, affective, and psychomotor.

The dependent variable used in this study is accounting information systems. An accounting information system is an information system that receives data and then processes it into information for its users. The indicator instruments are (a) the use of SIA in increasing the productivity of MSME actors; (b) The information system within the company benefits MSME players; (c) Using SIA helps you get work done faster

The measurement scale used is the Likert scale. This type of research data is quantitative data. The data source of this research is primary data. Data collection uses a questionnaire.

This study uses validity and reliability tests to test the data. It will use the classic assumption test for data analysis, namely the normality test and linearity test. And to test the hypothesis will use a linear regression test.

RESULTS AND DISCUSSION

Result

The location of this research is Medan Timur District, where this sub-district is one of the sub-districts in North Sumatra Province, Medan City. The population of this subdistrict is 116,985. The Medan Timur District is home to 162 MSMEs, including various enterprises like tailors, Panglon, and electronics companies.

High school and vocational high school graduates comprised 56% of the respondents' characteristics from the schooling of MSME players in the East Medan District. Regarding respondent characteristics, MSME has been operating in the Medan Timur District for at most 11 to 15 years.
Table 1. Validity Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Validity Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Behavior of MSME Actors</td>
<td>Valid</td>
</tr>
<tr>
<td>Use of Accounting Information Systems</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: data processed (2023)

Table 2. Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach Alpha value</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Behavior of MSME Actors</td>
<td>0.775</td>
<td>Reliable</td>
</tr>
<tr>
<td>Use of Accounting Information Systems</td>
<td>0.777</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: data processed (2023)

Table 3. Test Results t

<table>
<thead>
<tr>
<th>Variable</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Behavior of MSME Actors</td>
<td>16.017</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: data processed (2023)

A count of 16.017 and a table of 1.672 were obtained from the statistical findings of the t-test (Table 4) for the actor's behaviour variable, meaning that count > table (16.017 > 1.672). With a value of 0.00 less than 0.05 (0.00 < 0.05), it claimed that MSME actors' behaviour significantly impacts the adoption accounting information systems. It could imply that while Ha was accepted, H0 was accepted. Namely, the behaviour of MSME actors significantly affects the use of accounting information systems.

Discussion

The test results showed that the behaviour of MSME actors significantly influenced the accounting information system variables. It could be seen from the significance value of 0.000, less than 0.05 (0.000 < 0.05).

It shows that the behaviour of MSME actors influences the use of accounting information systems in MSMEs in the East Medan sub-district. Figures from the questionnaire results show that each statement used to measure the relationship between the behaviour of MSME actors and the use of accounting information systems already represents the respondent's agreement. Behaviour results from various experiences and interactions with the environment manifested in knowledge, attitudes and human actions. Behaviour is a function of the interaction between an individual and his environment (Tebay, 2021).

CONCLUSION

The behaviour of MSME actors dramatically influences the use of accounting information systems for MSME actors in the East Medan sub-district. Improving the behaviour of MSME actors can be done by increasing training in accounting for MSME actors in the East Medan sub-district. These courses help participants comprehend the
value of using accounting information systems to manage their businesses. Future researchers are urged to focus on aspects other than MSME actors’ actions to understand better the variables that can affect how accounting information systems are used.

REFERENCES


