

ANALYSIS OF FACTORS AFFECTING THE USE OF FINANCIAL ACCOUNTING INFORMATION ON IN SIDOARJO DISTRICT

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ABSTRACT

This study aims to test empirically the factors that influence the use of accounting information on UMKM in overcoming the problem of capital limitations. This study uses a quantitative approach, with data collection using a questionnaire instrument. This research was conducted at the UMKM assisted by the Cooperative and Micro Business Office of Sidoarjo Regency in the Food-Beverage group of 544 UMKM. The sampling technique used in this research was simple random sampling technique. With this method, the sample used in this study was 84 UMKM. The data analysis technique used in this research was Partial Least Square (PLS) with SmartPLS 3.0 software. The results of this study are the variables of educational background, business experience and accounting knowledge have an effect on the use of accounting information, while business scale has no effect on the use of accounting information.

Keywords: UMKM, educational background, business scale, business experience, accounting knowledge, use of accounting information

Preliminary

This problem is proven because based on the author's experience when participating in forums held by organizations and discussing the improvement of MSMEs, many MSME actors complain and find it difficult to raise business capital. This is because MSME actors combine personal assets (prive) with business capital that should be collected by MSME players. This becomes a benchmark that working capital is also very important to meet short-term obligations that are useful for carrying out daily operational activities. Good capital management will improve company performance so that it can increase company value as well. However, there are still many MSME players who do not understand capital management and often trigger new problems that can end in business failure. To prevent business failures, the ability to manage finances well is needed, one of which is by utilizing accounting information that can describe the business conditions so that it can become information for business actors in making decisions related to their business (Lestanti, 2015). However, based on a preliminary survey

Business experience is a lesson learned from what business actors have obtained for their business activities. The longer the company operates, the more accounting information is needed, because the business complexity is also higher and indicates that the need for accounting information will increase. (Lestanti, 2015) The accounting knowledge possessed by MSME owners will provide many benefits in the use of accounting information. Low accounting knowledge will cause the business to be run to experience management failure so that it is very difficult for business actors to determine what policies to take (Hudha, 2017). This research was conducted in Sidoarjo Regency because Sidoarjo Regency is one of the areas that is the center of MSMEs in Indonesia. In addition, also because the author 3

This research was conducted to examine and analyze the effect of variables of educational background, business scale, accounting knowledge and accounting training on the use of accounting information for MSME actors in Sidoarjo Regency. So that based on the description of the background, the authors conclude to take the title of the study "Analysis of Factors Affecting the Use of Financial Accounting Information at Umkm in Sidoarjo Regency".

RESEARCH METHODS

Types of Research This type of research includes quantitative research with the aim of the variables being observed and researched can be identified and the relationship between variables can be measured clearly. The dependent variable used in this study is the Use of Accounting Information (Y). While the independent variables in this study are Educational Background (X1), Business Scale (X2), Business Experience (X3) and Accounting Knowledge (X4). Variable Operational Definition of Use of Accounting Information (Y) Use of Accounting Information is a process of using information that provides benefits in the form of quantitative and qualitative data required by a corporate organization. This variable is measured using a Likert measurement scale of 4 indicators consisting of: 1. Use of Operational Information 2. Use of Financial Accounting Information 3. Use of Management Accounting Information 4. Use of Tax Accounting Information

Research result

Path Analysis

Based on the results of the Path Coefficients in the table above, it can be seen that the variables of Educational Background, Business Experience, and Accounting Knowledge have an effect on the Use of Accounting Information because the T-Statistics value has a value of > 1.96 and the P-Values has a value of < 0.05 . While the Business Scale variable has no effect on the Use of Accounting Information because it has a T-Statistics value of 1.725 which means < 1.96 and a P-Values value of 0.085 which means > 0.05 .

Hypothesis Testing Results Hypothesis

Result Statement

H1 The Effect of Educational Background on the Use of Accounting Information Hypothesis is Accepted

H2 Effect of Business Scale on Use of Accounting Information Hypothesis Rejected

H3 Effect of Business Experience on Use of Accounting Information Hypothesis Accepted

H4 The Effect of Accounting Knowledge on the Use of Accounting Information. Hypothesis is accepted

The Effect of Business Scale on the Use of Accounting Information

Based on the results of data testing, it shows that business scale has no effect on the use of accounting information. Hypothesis 2 is rejected, meaning that business scale does not directly affect the use of accounting information. In this study, Business Scale has no effect on the Use of Accounting Information which is supported by the findings of researchers that many MSMEs in Sidoarjo Regency are small businesses with low incomes and the number of employees employed is also small according to company activities. Even with a small business scale, if MSME actors already have sufficient knowledge about the use of accounting information, then the business scale does not affect MSMEs in using accounting information for their business. The results of this analysis are consistently the same as previous research conducted by Hendrawati (2017) which states that the Business Scale variable has no effect on the Use of Information. Accounting. However, the results of this analysis contradict research by Hadi (2016) which states that the Business Scale variable affects the Use of Accounting Information.

Effect of Business Experience on Use of Accounting Information

Based on the results of data testing, it shows that business experience affects the use of accounting information. The acceptance of Hypothesis 3 means that the more experienced / long a business actor has been in establishing his business, the more he will understand the importance of using accounting information for his business. The results of this analysis are consistently the same as previous research conducted by Lestanti (2015) which states that Business Experience on Perceptions of Use of Accounting Information is positive and significant.

Likewise, research conducted by Budhijono and Kristyowati (2005) in Firmansyah (2013) which states that business experience has a positive and significant effect on the use of accounting information in MSME companies in Salatiga.

The Effect of Accounting Knowledge on the Use of Accounting Information

Based on the results of data testing, it shows that Accounting Knowledge affects the Use of Accounting Information. The acceptance of Hypothesis 4 means that the higher the level of accounting knowledge possessed by MSME actors, the higher the understanding of MSME actors of the importance of using accounting information. The results of this analysis are consistent with previous research conducted by Hendrawati (2017) which states that the Accounting Knowledge variable has an effect on the Use of Accounting Information. Likewise, research conducted by Linawati and Restuti (2015) also stated that the Accounting Knowledge variable had an effect on the Use of Accounting Information.

CONCLUSION

Based on the results of the test analysis and discussion that has been carried out, the following conclusions can be drawn:

1. Educational background influences and contributes to the use of accounting information.
2. Business Scale has no effect and does not contribute to the Use of Accounting Information.
3. Business Experience influences and contributes to the Use of Accounting Information.
4. Accounting knowledge influences and contributes to the Use of Accounting Information.

SUGGESTION

1. For MSME players in Sidoarjo Regency, it is hoped that they will pay more attention to and understand the importance of using accounting information because it is useful for making it easier for MSME players to share personal assets and business capital, so that there will be no business failure resulting from combining household finances with his efforts.

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