



Analysis of a Factors Affecting Use of Accounting Information in Small and Medium Businesses (MSMEs) on Medan City

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Abstract: *Small and Medium Enterprises (SME) are types of businesses that can be directly managed by communities or families, small and medium-sized businesses have a big impact on a country's economy, one of which is reducing unemployment. So SMEs must continue to grow from time to time, this is one of the most important things An important factor for SMEs to develop their businesses is accounting information (financial reports). This research is a descriptive study of small and medium enterprises in the city of Medan. Cooperation department. This study aims to describe the characteristics of SMEs, and as an understanding and trend of accounting, applications use but also provides an overview of SME from a demographic perspective. Research results according to the report, by gender, the majority of SME entrepreneurs are women. Leading the ethnic groups are Javanese and Batak. Most of the business fields carried out are trading business. Most SME entrepreneurs have recorded their business activities, but still in a very simple form. How many people run the accounting process that communicates the final results? accounting information, namely financial statements. SME follow and understand accounting training materials are provided by the cooperative.*

Keywords: *accounting training; leadership; demographics; accounting*

I. Introduction

Small and medium enterprises (MSMEs) are types of small businesses that can be directly managed by the community and families. In developing countries such as Indonesia, SMEs play an important role in the economy of a country. The existence and role of SMEs occupy a leading position in the country's economic development. This can be seen from its role in absorbing labor, supporting gross domestic product (GDP), national investment, and Indonesia's national foreign exchange. Statistics published by cooperatives and the Ministry of SMEs provide an overview of the development of SMEs every year, until 2018, the labor absorption rate in Indonesia has reached 97%. from 58.97 million MSMEs that already exist, they can contribute to Indonesia's GDP by 60.34%, the Ministry of Cooperatives and Small and Medium Enterprises (2018). MSMEs also have an impact on the export sector and maintain the balance of payments, especially in Africa in terms of oil and gas, Indonesia's MSME non-oil and gas export potential reaches 22%. The investment value of the Central Statistics Agency (2018), in 2018 71% came from MSME activities.

The government responds to the development of MSMEs by providing credit facilities. The latest data shows that in 2018, commercial banks require the minimum rate for lending to MSMEs to be 20%. The regulation contained in Bank Indonesia supports the regulation of MSME lending. Two policies to adjust the proportion of credit to MSMEs are Bank Indonesia regulations. 17/12/PBI/2015 dated June 25, 2015, concerning the Provision of Credit or Financing in the context of developing MSMEs, commercial banks, and technical assistance, *TribunJatim.com*(2018). By 2015, commercial banks must provide at least 5% of loans to MSMEs. then reached 10% in 2016, and rose again to 15% in 2017. The 2018 target

is 20%. Commercial banks can guide credit in two ways, namely directly to MSMEs indirectly, which means cooperation through execution, co-financing channels, and models. Yunita added that Bank Indonesia had also prepared many incentives and prevented commercial banks from reaching the loan ratio for MSMEs. However, the success of MSMEs is supported by many factors, including internal factors such as financial management, sales, even leadership, and so on. So, further research is needed, research that has been completed.

II. Review of Literature

2.1 Theoretical Foundation

Accounting information is information provided by management that describes the results of activities in the form of company financial statements currently in the accounting period. Accounting information is not only used by users from within the company and external users outside the company. Accounting information itself is divided into three categories, namely business information, management accounting information, and financial accounting information (Mulyadi, 2011):

1) Operation information

Operational information provides raw data and financial accounting information management information.

2) Management accounting information

Management accounting information is submitted to the company's management in various reports, such as budgets, sales reports, production cost reports, responsibility center expense reports, activity cost reports, and others.

3) Financial accounting information

Financial accounting information is used by company managers and external parties to provide information about the financial status, performance, and changes of the company, which is useful for a large number of users to make economic decisions (IAI, 2001).

Financial statements are basically a source of information for investors as one of the basic considerations in making capital market investment decisions and also as a means of management responsibility for the resources entrusted to them (Prayoga and Afrizal 2021).

Financial performance is a measuring instrument to know the process of implementing the company's financial resources. It sees how much management of the company succeeds, and provides benefits to the community. Sharia banking is contained in the Law of the Republic of Indonesia No.21 of 2008 article 5, in which the Financial Services Authority is assigned to supervise and supervise banks. (Ichsan, R. et al. 2021)

Accounting information is used as internal information. and information external to the company Sources are very important. Accounting information is provided in the form of financial statements. External party financial reports provide a comprehensive picture of the financial status and results of operations of the organization. Financial reports from external parties provide a comprehensive picture of the organization's financial status and the results of operations of an organization. Management requires more detailed financial and accounting information (Mulyadi, 2011). Accounting in business management can be detrimental to company operations.

2.2 Accounting Training

Accounting training is a systematic and organized process of increasing skills and knowledge aimed at improving one's professional abilities in the accounting field. According to Meiliana & Dewi (2015), accounting training must be carried out by non-school educational institutions, training departments, or certain services. The more training you take, the owner/manager will have more knowledge of accounting and the importance of using accounting information so they tend to produce more than scarce or even non-existent

accounting information, a large amount of accounting information participates in training.

Accounting training allowed someone to improve their accounting skills this is good for the company (Budiyanto, 2014). Accounting training will identify the good and bad aspects of the owner or manager mastering accounting skills (Andriani and Zulyati. 2015).

According to Elegance Tiana Solovida (2003) accounting training has a positive effect on the preparation and use of MSME accounting information. Accounting training, in this case, really needs to be done because it determines how well a manager's ability to master accounting techniques is. The more often a manager follows accounting training, the better the ability to use accounting information Accounting training according to Grace Tiana Solvida (2003) has a positive impact on the preparation and use of accounting information for SMEs. Accounting training in this case needs to be done because it determines how the manager's ability to master accounting techniques is? The more managers participate in accounting training, the better their ability to use accounting information.

2.3 Leadership

Leadership is the process by which leaders influence or set an example to their subordinates when achieving organizational goals. The natural way to study leadership is to learn leadership through practice, such as an internship with a skilled artist, craftsman, or in-depth practitioner. In this connection, experts are expected to be part of their role in providing teaching/guiding services. Sutikno (2014), Leadership is an ability to influence and encourage others to achieve their goals. Leading in an organization is designed to influence the people they lead to wanting to follow the leader's expectations or instructions. Leadership is one of the main factors that support the success of an organization's company in achieving its goals.

The success of leadership is not only measured by their performance and how they empower their subordinates. or implementing company policies through leadership. The leadership style itself is highly dependent on the individual characteristics of the manager. Treating subordinates based on their function as superiors. There is no leadership style must be flexible behavior, values of subordinates, environmental conditions, maturity, and situation of subordinates. Managers are considered successful if it is possible to adapt their leadership style to the situation.

There are four leadership styles: dictatorship, participation, delegation, consideration. Treating subordinates based on their function as superiors. There is no leadership style must be flexible behavior, values of subordinates, environmental conditions, maturity, and situation of subordinates. Managers are considered successful if it is possible to adapt their leadership style to the situation. There are four leadership styles: dictatorship, participation, delegation, consideration. Treating subordinates based on their function as superiors. There is no leadership style must be flexible behavior, values of subordinates, environmental conditions, maturity, and situation of subordinates. Managers are considered successful if it is possible to adapt their leadership style to the situation. There are four leadership styles: dictatorship, participation, delegation, consideration.

2.4 Framework

The framework formed from the theory and previous research provides an overview of the research in accordance with the thinking model used in this study:

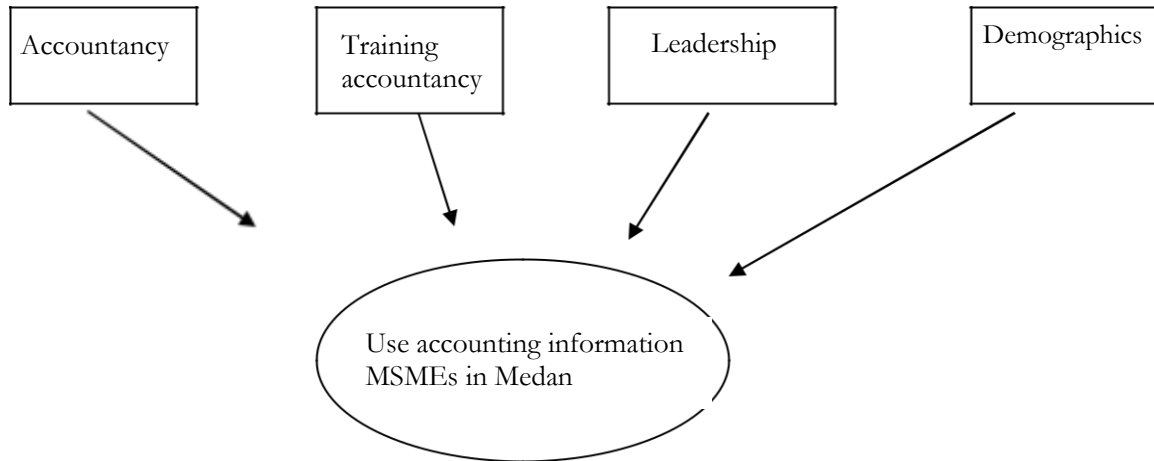


Figure 1. Framework for Thinking

Accounting is one of the tools that SMEs can use to manage their finances within a company (Sandrayati, Masnila, and Sari 2016). Accounting training will determine how well the owner or manager is proficient in accounting techniques (Andriani and Zuliyati. 2015). Accounting training contributes to more efficient use of information in companies. Andriani and Zuliyati (2015) in their research concluded that accounting training has a positive and significant effect on the use of accounting information in MSMEs. The more owners or managers of accounting training follow, the more the use of accounting information in MSMEs increases.

Leadership together has a significant effect on the use of accounting information where the leadership spirit has an attitude of influencing people others, self-courage, strong intention, and determination so that they are willing to work together to achieve the desired goals (Kartono 2011).

Demographics also have a significant effect on the use of accounting information where demographic factors indicate the demographic structure of individuals, in this study, the demographic factors themselves consist of age, gender, ethnicity, and education level. In this case the education of someone who is the manager of a small business.

III. Research Methods

This survey uses a descriptive survey method that aims to use each variable as a proxy to get a picture of the symptoms. Research is to explain, predict, and control phenomena. The survey was conducted in Medan City, and the survey target was 114 small and medium enterprises in Medan City. Department of Cooperatives Medan City Research samples was extracted using a special technology. Survey data were obtained through questionnaires and interviews. Of the 114 questionnaires distributed, 58 were returned. technology Analysis of research data with descriptive analysis of each question about the survey and interviews were used as additional information.

IV. Result and Discussion

4.1 Research Results

The subject of this survey is under the auspices of the city of Medan cooperatives and offices for small businesses. The sampling method uses a targeted sampling technique that follows the criteria. In this study, the small business standard was used as a sample of up to 114 MSMEs. Surveys are distributed within a week and the results are processed for data analysis.

Table 1. Sample Distribution

DESCRIPTION	NUMBER OF PEOPLE	PERCENTAGE
Questionnaire distributed	114	100%
Questionnaire that is not filled	56	49%
Questionnaire used	58	51%

Based on Table 1 above. A total of 114 questionnaires were distributed, 58 were filled out and tested, the remaining 56 could not be tested because they were not entered. The data received regarding the Respondents are:

a) Characteristics of respondents by gender

Table 2. Classification of Respondents by Gender

GENDER	NUMBER OF PEOPLE	PERCENTAGE
Man	25	43.1%
Woman	33	56.9%
Amount	58	100%

Based on gender in Table 2, from the maximum number of respondents 58 people answered the questionnaire, many of whom were women. Up to 33 or 56.9% men dominate, i.e. up to 25 or 43.1%.

b) Characteristics of respondents by ethnic group

Table 3. Classification of Respondents by Ethnicity

ETHNIC GROUP	NUMBER OF PEOPLE)	PERCENTAGE
Batak	13	22.4%
Java	34	58.6%
Karo	2	3.4%
Mandailing	4	6.9%
Malay	4	6.9%
Minang	1	1.8%
Amount	58	100%

Based on the type of race in Table 3, respondents who complete the Javanese race are more dominant at 58.6%, followed by Batak at 22.4%, then the Mandailing and Karo tribes are the same at 6.9%, with the lowest being ethnicity. Minimum 1.8%.

c) Characteristics of respondents by line of business

Table 4. Classification by line of business

BUSINESS FIELDS	TOTAL	PERCENTAGE
Culinary	15	25.9%
Trade	22	37.9%
handycrafts	15	25.9%
Etc	6	10.3%
Amount	58	100%

From the business area in Table 4 Commercial stores accounted for more than 37.9% of other types of stores, namely 25.9% restaurants, 25.9% handicrafts, other business fields (salons, fashion, furniture, agriculture, education sectors), and photo/video editing services) 10.3%.

4.2. Explanation of Survey Variables

The data obtained during the survey will be presented to students as a result of distributing questionnaires. There are 58 small business owners in Medan. The number of questions is 26 Variables of Accounting Training Questions, Variables Consisting of Elements of Leadership Questions, demographic variables, and accounting information variables.

The answer to the research question describes the characteristics of the data source. Make sure the data used to answer this question is more accurate. After that, therefore, the author uses the results of survey analysis to describe the characteristics of respondents in the field, the responses received are shown in the following table.

4.3 Discussion

Accounting training is one of the first steps to improve MSME financial management. In this case, the cooperative services did that and most of the MSMEs participated in the training. The material provided also provides an understanding of the accounting process that will be carried out by small entrepreneurs. They carry out the process of making financial statements as a result of the accounting cycle and are a form of presenting accounting information. Although some of them do simple bookkeeping, they have not prepared financial statements as a result of their bookkeeping activities. This is because the activities of the business carried out are not intensive and only certain economic activities are recorded. As with the recording of accounts payable, the number of assets and depreciation are not carried out.

V. Conclusion

The conclusions of the MSME identification survey supported by the Medan City Cooperative Service are as follows:

1. Most of the small and medium enterprises are women, measured by gender. The dominant ethnic groups are Javanese and Batak. Most of the business area is commerce.
2. Most small businesses have recorded their business activities, but it is still in a very simple form. Some of the people who perform the accounting process produce the final accounting information, or financial statements.
3. MSME stakeholders participated in and understood the accounting training materials conducted by the Medan City Cooperative Service.
4. The leadership type of MSME actors tends to be participatory and considerate

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