

# QUALITY OF ACCOUNTING INFORMATION ON MICRO, SMALL, AND MEDIUM ENTERPRISE, A NECESSITY?

*by Yanuar Ramadhan*

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# 7 QUALITY OF ACCOUNTING INFORMATION ON MICRO, SMALL, AND MEDIUM ENTERPRISE, A NECESSITY?

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## Abstract

This survey aims to explore the impact of the relationship between qualities of accounting information systems on quality of accounting information in MSME companies. The method of collecting data through distributing questionnaires related to the variables studied, namely Quality of Accounting Information Systems and Quality of Accounting Information. The type of data used in this research is primary data with this questionnaire is causality. The inferential analysis method used is simple linear regression which will test between hypothesized variables (explanatory research) and aims to determine the effect of variables by analyzing factors related to Quality of Accounting Information Systems and Quality of Accounting Information. The findings showed that Quality of Accounting Information Systems affects Quality of Accounting Information. Research shows the importance of quality of accounting information systems that will create accounting information quality. The results of this study are very important for companies, especially for MSMEs, that accounting information quality will help entrepreneurs in making the right decisions. This research is concluded based on MSME respondents who answered the questionnaire, which does not include MSMEs in a broader scope and has not been arranged based on their respective classifications, namely micro, small, or medium.

<sup>1</sup>**Keywords:** Quality of Accounting Information, Quality of Accounting Information System

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## BACKGROUND

The world economy has been shrinking for the past few years and the Secretary General of the United Nations, António Guterres, says it's getting worse. He says that in 2020, the world economy shrank by 4.3% compared to the decline during the 2009 global financial crisis (Bisnis.com 2021a). According to data from the BPS-Statistics Indonesia, the Indonesian economy in 2020 experienced a growth contraction of 2.07% (BPS.com 2021). This is because a pandemic called Corona virus (Covid-19) has infected the entire world.

According to WHO, data on the distribution of covid-19 in the world as of 8 June 2021 covers 223 countries with 173,331,478 confirmed positives and

3,735,571 deaths. As for Indonesia, 1,869,325 people were confirmed positive and 1,717,370 people recovered and 51,992 people died (KPCPEN 2021). Corona Virus Disease (Covid-19) cases in Indonesia began in February 2020 (Halodoc 2021).

At a seminar organized by the Ministry of Cooperatives and SMEs, it was said that the economic crisis due to the Covid-19 pandemic has impacted the survival of micro, small, and medium enterprises (MSMEs). According to data from the Ministry of Cooperatives and SMEs, at least 37,000 MSMEs have been hit during the pandemic. MSMEs are the biggest part of the Indonesian economy and they contribute a lot to GDP. Out of the 116 million people in Indonesia, 97% are employed in this type of business. It

was also conveyed by Sis Apik Wijayanto, Institutional Relations of PT Bank Negara Indonesia (Persero), Tbk.'s Director that issues related to MSMEs as potential debtors include not having adequate financial records, for example related to sales, stock, have not been carried out consistently, do not have market information and access to support their business activities. In addition, it was conveyed that the effect of covid-19 on the sustainability of MSMEs is as follows requiring postponement (61%), can no longer make payments (27%), can only pay interest or principal (5%), and there are no obstacles (7%). The character of MSMEs in the national economy is enormous, with 60.34% of the national GDP and 14.5% of total exports coming from MSMEs. In addition, MSMEs have absorbed 97.02% of the workforce and 99% of total employment (Bisnis.com 2021b).

The criteria for businesses that fall into the micro, small, medium, and large categories according to Government Regulation Number 7 of 2021 can be grouped into the following: Micro businesses have annual sales that are up to IDR 2 billion; Small businesses have annual sales that are more than IDR 2 billion but not more than IDR 15 billion; Medium businesses have annual sales that are more than IDR 15 billion but not more than IDR 50 billion; and Large businesses have annual sales that are more than IDR 50 billion. However, when viewed from the sales turnover criteria, based on Government Regulation No. 7 of 2021, there are 63,955,369 units of micro enterprises (99.62%); 193,959 units of small enterprises (0.30%); 44,728 units of medium enterprises (0.07%); and 5,550 units of large enterprises (0.01%) (Ministry of Finance, n.d.). The role of MSMEs in labour absorption is very high, in 2019 it reached around 119 million people (96.92%), while large businesses absorbed around 3.8 million workers (3.08%)

(Kementerian Koperasi dan UKM Republik Indonesia 2022).

The Covid-19 pandemic has caused anxiety among MSME players. The decline in people's purchasing power has caused their turnover to drop. This phenomenon is reflected in the Katadata Insight Center survey in 2020, of MSME players in Jakarta, Bogor, Depok, Tangerang, and Bekasi in June 2020. The results showed that only 5.9% of MSMEs were able to make a profit amid the pandemic. About 82.9% of businesses experienced some kind of negative effect from the pandemic-most notably a decrease in customer turnover of more than 30%. This situation has caused business conditions to deteriorate from before the pandemic. The KIC survey recorded 56.8% of MSMEs whose business conditions were very bad/worst. Meanwhile, only 14.1% claimed that their business was in a very good/good condition. KIC also found that 62.6% of MSMEs were still able to survive until above March 2021. However, around 18.5% admitted that they could only survive for the next six months. Meanwhile, 6% of MSMEs stated that they could only last less than three months and would be forced to go out of business if conditions still did not improve (Katadata 2021). Various economic policies were implemented by the government in 2021. The Ministry of Finance has allocated a 2021 National Economic Recovery (PEN) fund of IDR 699.43 trillion. This fund increased by 20.63% from the PEN 2020 budget realisation. Minister of Finance Sri Mulyani (24 February 2021) explained that this budget increase is expected to maintain the momentum of national economic recovery, especially to boost economic growth. The 2021 PEN budget focuses on five areas, namely, health amounting to IDR 176.3 trillion, social protection IDR 157.4 trillion, MSME support and corporate financing IDR 186.8 trillion, business and tax incentives IDR

53.9 trillion, and priority programmes IDR 125.1 trillion (Covid19.go.id 2021).

The Covid-19 pandemic has had a negative impact on the government's ability to run smoothly, and on businesses in Indonesia as Audit Board of the Republic of Indonesia (BPK) said. BPK reported that there are still problems in the governance of tax receivables at Taxes Directorate (DJP) and the management of administration at the Directorate General of Customs and Excise that is not optimal. Head of the Main Directorate of Evaluation Planning and Development of BPK Bernadus Dwita Pradana asked the DJP to update the information system in ensuring the validity of tax receivable data and allowance for tax receivables, as well as ensuring that PBB receivables are integrated with the DJP information system (Sindonews n.d.). Director of the Directorate of Information and Communication Technology (DTIK) of the Taxes Directorate (DJP) Iwan Djuaniardi said that information and technology related to financial data is an obstacle to tax revenue at present. The validation of rejected financial information data in the DGT technology system cannot be ascertained. It is confirmed that the 2019 tax revenue is still far from the target. Tax revenue until August has only reached 50.78% of the 2019 tax revenue target (Kontan.co.id 2021).

The Minister of Finance's Expert Staff for State Revenue Policy Robert Leonard Marbun also conveyed the phenomenon of a weak tax information system. It can be a real obstacle for the government to increase revenue from the taxation sector. Efforts to overcome these problems include evaluating information systems and technology. This evaluation is carried out by analysing whether the system and technology are in accordance with the principles of a good information technology-based tax accounting information system (DDTC 2020). In addition, Chairman of the Indonesian

Institute of Certified Public Accountants Tarkosunaryo said that the financial report is only information, and it is not enough for the statement "has been audited". The report must be followed up with concrete steps by company leaders to improve performance in the future (Tempo 2021).

Said Didu, Secretary of the Ministry of State-owned Enterprises (BUMN), said that 2019 has entered February, but BUMN' Financial Report has not yet been released, whereas it is usually announced in January. It is strongly suspected that a number of large BUMNs, such as Pertamina, PLN, and BUMN construction, have complex financial problems, especially related to the debt burden borne by these BUMNs. Therefore, to be featured in the BUMN' Financial Report is not good for the government's image in front of the public (Bisnis.com 2019).

The Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi (Ministry of Administrative and Bureaucratic Reform) received the Review Report on the 2019 Central Government Performance Report (Laporan Kinerja Pemerintah Pusat/LKjPP) from the Badan Pengawasan Keuangan dan Pembangunan/BPKP (Development Finance Comptroller). Minister of Ministry of Administrative and Bureaucratic Reform (PANRB) Tjahjo Kumolo said that the LKjPP is a form of government accountability and transparency towards the performance of the 2019 budget. According to him, until now there are still some weaknesses in the LKjPP, both in the preparation process and the ability of ministries/institutions to present their performance reports. In addition, he added, development targets have not been fully monitored by the agency in charge. This can be caused because the development performance indicators set out in the 2019 Rencana Kerja Pemerintah/RKP (Government Plan) do not yet present complete information on the ministry/



agency in charge (Liputan6.com n.d.). BPK of the Republic of Indonesia member, Isma Yatun said that the asset information system has not supported asset recording according to accounting standards, asset inventory has not been completed, then the Goods Inventory Card data is not informative and invalid, asset depreciation is not supported by depreciation working papers, the same land assets are recorded in three different Satuan Kerja Perangkat Daerah/ SKPDs (Local Government Work Unit) and some are recorded in two different SKPDs, land assets have not been recorded, recorded but without location information and land certificates (Merdeka.com 2017).

The authors are interested in studying how the quality of accounting information systems affects micro, small, and medium-sized businesses. They want to find out if the quality of accounting information systems makes businesses run better, so they are going to study this question by measuring the effects of accounting information systems quality on accounting information quality.

The output of this study are intended to be able to contribute to the development of science and are also intended to provide alternative solutions to problems currently faced by companies, especially in category of small and medium enterprises in improving the quality of company financial report information which in turn will facilitate or will be one of the important information in making the right decisions and ultimately can increase company productivity.

## LITERATURE REVIEW

### Accounting Information Systems Quality

According to (Hoque 2003), product or service quality must meet or exceed the expectations of customers, quality focuses on making sure that the management accounting information systems produce outputs that are accurate,

reliable, must be able to integrate information from different sources, be flexible enough to adapt to different user needs, and be accessible to all. Finally, the system must be formally documented and rich in media channels so that people can interact with it easily (Heidmann 2008).

As for Atkinson, Kaplan, Matsumura (2012) said that to measure Management Accounting Information Systems must be *Timely, Efficient, dan Effective*. So, thus accounting information systems quality is a term that refers to the process of producing useful information from inputs using correct procedures. The results of this process can be seen as meeting management's needs in decision-making.

The quality of management accounting information systems can be measured in terms of integration, flexibility, accessibility, formalization, and media richness. Systems that are well integrated allow users to easily access the data they need, while systems that are flexible can adapt to changes in the environment. Systems that are accessible may be in compliance with applicable rules and regulations, while those that are rich in media allow for multiple channels of communication (Heidmann 2008; Stair, Ralph; Reynolds 2012; Susanto 2013).

### Accounting Information Quality

The desired Accounting Information quality in accordance with Subramanyam (2014) is Relevant which is the capacity of information to influence a decision and is a primary quality. Reliability means that information can be verified, presented honestly, and neutrally. Comparability means that information is measured in the same way across different companies. Consistency means that the same methods are used for the same transactions over time. (Stair, Ralph; Reynolds 2012) reveals the following characteristics of qualitative/

valuable information: availability, accuracy, completeness, economy, flexibility, relevance, reliability, security, simplicity, timeliness, verifiability. Hall 2011; Romney and Steinbart 2018 argue that the characteristics of useful information are: relevance, timeliness, accuracy, completeness, and conciseness. So, the quality of management accounting information is data processed in the form of financial/non-financial, internal/external, qualitative/quantitative and historical/ future-oriented data that makes sense and meets the needs of management in decision support. Information has characteristics such as relevance, accuracy, timeliness, conciseness, clarity, quantification, and consistency. From what has been described above, the dimensions and metrics used for each component of accounting information quality are as follows; Relevance: (Mc.Leod 2008; Romney and Steinbart 2018) and is able to make the right decision or action (Hall 2011; Romney and Steinbart 2018). Accuracy (Mc.Leod 2008): the information obtained reflects the real situation; Completeness: Information provided must be complete if necessary (Mc.Leod 2008), and the information provided must comply with the regulations in order to be understood (Heidmann 2008); Timeliness: Information is available or available when it is needed (Chenhall 1986; Mc.Leod 2008) and information is presented according to established reporting intervals (Heidmann 2008); Scope: includes internal and external company information (Gul 1994; Heidmann 2008), includes financial and non-financial information (Bouwe 2000; Chenhall 1986; Heidmann 2008), includes quantitative and qualitative information (Heidmann 2008), includes information about previous/past data, and can evaluate future events (historical/ future-oriented) (Chenhall 1986; Heidmann 2008); Aggregation (Chenhall 1986): The information is brief but complete.

### The Effect of the Quality of Management Accounting Information System on the Quality of Management Accounting Information

An information system is a set of tools and procedures that help us collect, process, and share information. The system can help us achieve our goals by providing feedback to help us know how well we're doing (Hall 2011; Romney and Steinbart 2018; Stair, Ralph; Reynolds 2012). An accounting information system is a system that helps people make decisions by providing information about costs and benefits (Atkinson, Kaplan, Matsumura 2012; Bagranoff, NA, Simkin 2010).

The research from Shoormuangpak (2011) found that when management has access to good accounting information, it can help make better decisions about how to run the company. Laudon, KC, Laudon (2014) found that good management accounting information systems are important for the quality of management accounting information. Ramadhan (2018) found that if the quality of management accounting information systems is poor, it can affect the quality of management's decisions.

## METHODOLOGY AND RESULT

### Research Design

This research was conducted at businesses that are members of the Ikatan Usaha Kecil dan Menengah Bisnis Indonesia (IKUBI). IKUBI was formed in 2015 with the aim of sustaining the economic resilience of the Indonesian nation through exploring the business potential of the archipelago and being able to improve the welfare of members of SME activists and companies incorporated from CEO Indonesia. The time of research or data collection is in April-June 2022.

The data collection method is through distributing questionnaires related to the variables studied. This study uses primary data from a questionnaire to see if

there is a connection between a certain factor and a certain outcome. The study found that there is a connection between the factor and outcome, which can be explained by using simple linear regression which will test between hypothesized variables (explanatory research) and aims to determine the effect of variables by analysing factors related to the Quality of Accounting Information Systems and the Quality of Accounting Information.

**Population, Sample Size, and Sampling Techniques**

In this study, all the companies that are part of the Indonesian Small and Medium Business Association (IKUBI) and CEO Indonesia were sampled. This was done to get a general idea about how these companies are doing. Purposive sampling is a way to collect data that is specifically designed to meet the needs of the research project. This method is used when the researcher decides which samples to take based on certain criteria that match the goals of the study. For example, in this study, the researchers used the non-random sampling technique to select samples that would be likely to answer the research question. Additionally, the researchers

made sure that the samples they chose were specifically suited to answering the question at hand. The total population is 559 companies, then with the calculation of the Slovin Formula, the sample size obtained in the study was 240 people/companies. The data collection technique is to use a questionnaire as a tool to measure the variables.

**Research Variables**

The study's variables are divided into two groups: independent and dependent. The independent variables are things that the study's subjects (accounting information system quality) uses to produce outputs (meeting management needs) and dependent variable (the quality of accounting information quality is data that has been processed in the form of financial/non-financial, internal/external, qualitative/quantitative, and historical/future-oriented data, which has meaning and is helpful in supporting decision making.

**Variable Operational Definitions**

The table below shows the definitions of the variables:

**Table 1. Definition on Variable Operational**

No	Variable	Definition	Indicator	Scale
1	Quality of Accounting Information System	An information system is a set of tools and technologies that can produce outputs based on inputs. This system can help managers make decisions based on what is needed to achieve the organization's goals	1. <i>Integration</i> (Heidmann, 2008:87, Azhar Susanto, 2013:73-83) 2. <i>Flexibility</i> (Heidmann, 2008:88) 3. <i>Accessibility</i> (Stair & Reynolds, 2012:32, Heidmann, 2008:89). 4. <i>Formalization</i> (Heidmann, 2008:90). 5. <i>Media Richness</i> (Heidmann, 2008:90).	Likert Interval
2	Quality of Accounting Information	Data that is helpful in making important decisions is processed in different ways, depending on its meaning and purpose. This information can be qualitative, quantitative, and historical or future oriented. All of this data is	1. <i>Relevance</i> (Hall, 2011:13; McLeod, 2008:43) 2. <i>Accuracy</i> (McLeod, 2008:43) 3. <i>Completeness</i> (Heidmann, 2008:85; Leod, 2008:43) 4. <i>Timeliness</i> (McLeod, 2008:43; Chenhall & Morris, 1986:19; Heidmann, 2008:85) 5. <i>Scope</i> (Heidmann, 2008:82;	Likert Interval

		used to help make smart decisions.	Bowens dan Abernethy, 12:223; Gul dan Chia, 1994:415; Chenhall dan Morris, 1985:17)	
			6. <i>Aggregation</i> (Chenhall dan Morris, 1985:17)	

### Research Model

The research model of the Quality of Accounting Information System on the Quality of Accounting Information is in the figure below:



Figure 1. Research Model

### Data Analysis Technique

1 The data will be analysed using the test of validity and reliability. The instrument validity test means the extent to which the accuracy and accuracy of a measuring instrument in measuring data. Managing the validity test of this research instrument using the method *Item-Tool Correlation*. The statement is declared valid, if  $r_{count} > r_{table}$ . The instrument reliability test measures how consistent the measurement results are when measuring the same symptoms and using the same measuring device. Performed using the two-split technique. With this technique the measuring instrument (questionnaire) is split into two, then a correlation test is carried out with the product moment correlation formula between the left and right hemispheres of the result is a way to measure how strongly each hemisphere is connected to the other. The questions that have been valid are then jointly measured for reliability. The reliability of the test was assessed using the Cronbach Alpha test. This value shows how closely the test's results match those of other tests conducted using the same measure, which is 0.6 while the  $r_{table}$  value (0.361).

### Data Processing

The data processing that's happening now is from the data that was collected earlier by the data collection stage: the activity of checking the list of questions that have been submitted by the data collectors. The aim is to examine each data obtained so that incorrect or doubtful data can be traced back to the respondent concerned. *Coding data* is giving code to each data that belongs to the same category. *Coding data* from the questionnaire results using a Likert nominal scale with the following conditions: Strongly disagree: 1; Disagree: 2; Less Agree: 3; Agree: 4; Strongly Agree: 5.

The answers that have been coded are then entered into the table. The last step of this research is to analyse the data. The data was entered into the computer and analysed statistically. The next step is to transfer or enter data from the questionnaire into the computer for processing by transferring the contents of the data from the questionnaire to the computer. After that, data cleaning was carried out by rechecking the correctness of the results of data entry from data editing, data coding, data tabulating and data processing so that the data could be read and understood.

Data analysis was done in stages, first using univariate analysis and then bivariate analysis. The total index value is 100, so a range of 100 (10-100) was used to determine what the index value means. The range of 30 was then used to interpret the index value. The use of the Three-box Method is divided as follows: 10.00 – 40.00 = Low; 40.01 – 70.00 = Medium; 70.01 - 100 = High. The Simple Linear Regression analysis method used to see the



effect of the Quality of Accounting Information System on the Quality Accounting Information is to use simple linear regression analysis with the following equation:  $Y = a + b_1X$ . Whereas: Y = Accounting Information Quality; X = Accounting Information System Quality; a = Constant;  $b_1$  = Regression Coefficient.

**Data Presentation**

The results obtained will be discussed and presented in tabular form, which presents variable data in the form of row and column tables and tables of influence between variables. The resulting data is categorical so that the frequency distribution of each variable and the relationship between variables are obtained. After the data is presented in tabular form, it is continued by explaining the results obtained in the table in the form of words and sentences.

**Data Analysis**

The analysis carried out is validity test, reliability test, descriptive analysis, and inferential analysis using simple linear

regression analysis. The variables in this study are Quality of Accounting Information Systems and Quality of Accounting Information in micro, small and medium businesses with 114 respondents who returned/answered the questionnaires sent.

**Validity and Reliability Test**

The validity test is a way of checking that the data in a study is accurate. It is calculated by comparing the calculated value with the table value for the *Cronbach-Alpha*. If the two values are close, then the study's data is likely to be accurate. The reliability of a study can be measured with the *Cronbach-Alpha value* > 0.60. A study with a high *Cronbach-Alpha* value means that the data is very reliable.

**Validity and Reliability Test of Accounting Information System Quality**

The results of the validity test and reliability test of the accounting information system quality variables with the results below:

**Table 2. Validity Test of the Quality of Accounting Information System**

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SIA1	29.7895	34.486	.762	.926
SIA2	29.6491	36.778	.741	.925
SIA3	29.3509	39.805	.766	.924
SIA4	29.4912	39.951	.705	.926
SIA5	29.5877	38.687	.806	.921
SIA6	29.4298	39.238	.792	.922
SIA7	29.2368	37.722	.752	.923
SIA8	29.7456	36.669	.786	.921
SIA9	29.4035	39.199	.736	.925

Source: Data Processing Results, 2022

The validity test results must compare the corrected item-total correlation number obtained with the  $r$  item number >  $r$  table ( $n = 114 = 0.184$ ). Since the correlation number obtained is

above 0.184, it means that the questions are likely to be related, which means that they have some validity.

**Table 3. Reliability Test of Quality of Accounting Information System Reliability Statistics**

Cronbach's Alpha	N of Items
.932	9

Source: Data Processing Results, 2022

The reliability test in this study was used to measure the reliability of a construct or variable. This means that the construct or variable is reliable, meaning that it provides a measure of consistency that Cronbach Alpha > 0.60. Based on the reliability test, it was found that the Accounting Information System Quality

variable has a Cronbach alpha value of 0.6, which is 0.932, which means that this instrument has reliable results. This means that this instrument or questionnaire can be included in the reliable instrument category.

### Validity and Reliability Test of the Quality of Accounting Information

The results of the validity and reliability tests for the accounting information quality variable show that the data is reliable and valid.

**Table 4. Validity Test of the Quality of Accounting Information Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
KIA1	40.6404	77.206	.835	.964
KIA2	40.4386	80.425	.810	.965
KIA3	40.4123	79.784	.744	.967
KIA4	40.5351	76.835	.853	.964
KIA5	40.5175	77.632	.851	.964
KIA6	40.4912	78.518	.849	.964
KIA7	40.4035	76.438	.856	.964
KIA8	40.5175	78.447	.806	.965
KIA9	40.5526	77.152	.830	.964
KIA10	40.6053	76.400	.862	.964
KIA11	40.6053	77.232	.827	.964
KIA12	40.5000	77.969	.832	.964

Source: Data Processing Results, 2022

The results of the validity test show that the question-total correlation is above 0.184, so it's decided that the questions are significant and have good validity.

reliable, so it can be included in a reliable instrument.

## DISCUSSION

### Descriptive Analysis

This report includes information on consisting of age, sex, occupation, shopping frequency, revenue per month and product categories purchased, as well to figure out how responden feel about quality of accounting information systems and quality of accounting information in MSMEs businesses, we asked them.

### Respondent Profile

**Table 5. Reliability Test of the Quality of Accounting Information Reliability Statistics**

Cronbach's Alpha	N of Items
.967	12

Source: Data Processing Results, 2022

The reliability test found that the variable of accounting information quality has a high level of reliability, which is 0.967 (above 0.6). This means that the information on this questionnaire is

The 114 respondent in this study answered a questionnaire that was given to them. Of these respondent, they answered the questionnaire in a way that matched the results that were calculated by the researcher.

**Table 6. Respondent Profile Based on Sex**

Sex	Total	Percentage
Male	72	63.2
Female	42	36.8
Total	114	100.0

Source: Data Processing Results, 2022

Based on the table, it can be seen that most micro, small and medium businesses are run by men.

**Table 7. Respondent Profile Based on Latest Education**

Latest Education	Total	Percentage
Senior High School	10	8.8
Undergraduate	73	64.0
Master's	28	24.6
Doctoral	3	2.6
Total	114	100.0

Source: Data Processing Results, 2022

Based on the table, it can be seen that more micro, small, and medium-sized businesses are undergraduate-owned.

**Table 8. Respondent Profile Based on Length of Employment**

Length of Employment	Total	Percentage
Under 5 years	28	24.6
5 - 10 years	26	22.8
10 - 15 years	17	14.9
Above 15 years	43	37.7
Total	114	100.0

Source: Data Processing Results, 2022

Based on the information in the table, it can be seen that a majority of

micro, small, and medium-sized businesses have been running their businesses for more than 15 years.

**Table 9. Respondent Profile Based on Company Turnover**

Annual Sales	Total	Percentage
≤ of IDR 2 billion	36	31.6
> IDR 2 billion dan ≤ IDR 15 billion	32	28.1
> IDR 15 billion dan ≤ IDR 50 billion	19	16.7
> IDR 50 billion	27	23.7
Total	114	100.0

Source: Data Processing Results, 2022

Based on the table, it can be seen that a majority of micro, small, and medium sized businesses (MSMEs) have an annual sales turnover of less than or equal to IDR 2 billion.

### Overview of Respondents' Perceptions

An overview of the data from the respondents' responses can be used to categorise the respondents' response scores. Categorizing things is based on how much different they are from each other. That is, we use scales to measure how different things are. Then, we put things into different categories based on their distance from the other categories.

**Table 10. Score Interpretation Category**

No	Score	Category
1	10% - 40%	Low
2	40,1% - 70%	Medium
3	70,1% - 100%	High

Source: Arikunto (2006)

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**Quality of Accounting Information Systems**

Respondents' responses regarding the quality of accounting information systems in micro, small and medium businesses are as follows.

**Table 11. Responses to Accounting Information Systems Quality**

No	Statement	Answer Score					Total Score	%	Category
		5	4	3	2	1			
1	So far, the Accounting Information System (company information system) that you use has been connected/integrated both hardware, software, and networks in each section / unit.	30	30	21	24	9	390	68.4%	Medium
2	So far, the parts of each component (hardware, software, brainware, and database) that you use when working, run harmoniously.	25	37	34	13	5	406	71.2%	High
3	So far, the Accounting Information System (company information system) that you use in the company has been able to adjust to the needs in carrying out work.	23	55	33	3	0	440	77.2%	High
4	So far, the Accounting Information System (company information system) that you use has always been able to adapt to changes in the situation and conditions that occur. For example: changes from within the company (changes in organisational structure, number of branches, or system adjustments).	15	60	33	4	2	424	74.4%	High
5	So far, the Accounting Information System (company information system) that you use, makes it easy for you to access the data you need.	15	50	42	5	2	413	72.5%	High
6	So far, you have found it easy to use new technologies, such as information technology/ access the application system supporting the Accounting Information System (company information system).	19	57	33	4	1	431	75.6%	High
7	So far, the Accounting Information System (company information system) that you use in the company has followed the applicable regulations or procedures.	41	39	26	6	2	453	79.5%	High
8	So far, the Accounting Information System (company information system) that you use, has adequate communication feature channels to interact between sections.	21	36	34	21	2	395	69.3%	Medium

2



No	Statement	Answer Score					Total Score	%	Category
		5	4	3	2	1			
9	So far, the Accounting Information System (company information system) that you use can be a communication medium that facilitates interaction/ communication between sections in carrying out the management process.	24	51	33	5	1	434	76.1%	High
Accounting Information System Quality							3786	73.8%	High

Source: Research Data, 2022

10

The table shows how people reacted to the quality of the accounting information system. The system received a score of 3796, which is 73.8% in the high category.

### Accounting Information Quality

Respondents' responses regarding the quality of accounting information in micro, small and medium business are as follows.

**Table 12. Responses to Accounting Information Quality**

No	Statement	Answer Score					Total Score	%	Category
		5	4	3	2	1			
1	So far, the accounting information has been helpful in helping you make decisions.	23	31	50	7	3	406	71.2%	High
2	So far, accounting information from the company information system can help you make the right decision or action when solving work problems.	19	53	39	2	1	429	75.3%	High
3	So far, the information in the accounting information is accurate, based on what is happening right now.	29	37	44	3	1	432	75.8%	High
4	So far, the information produced by accounting information (enterprise information systems) has always been able to present complete information, such as tables, graphs, images, and details.	23	46	31	12	2	418	73.3%	High
5	So far, the information provided for decision-making has always been consistent with what has been predetermined, so that it can be easily understood.	26	34	48	4	2	420	73.7%	High
6	So far, the accounting information is always able to produce up-to-date information.	20	50	37	5	2	423	74.2%	High
7	So far, the information produced by the accounting	30	45	28	8	3	433	76.0%	High

2

No	Statement	Answer Score					Total Score	%	Category
		5	4	3	2	1			
	information system has always been available at the time it is needed.								
8	So far, the information in the accounting information system that you use, can present internal company information and also external company information.	21	48	35	8	2	420	73.7%	High
9	So far, the information generated by the accounting information system can show you important financial information as well as non-financial information.	22	45	36	7	4	416	73.0%	High
10	So far, the information generated by the accounting information system that you use, in addition to being able to present quantitative information, can also present qualitative information.	22	41	37	11	3	410	71.9%	High
11	So far, the information generated by the accounting information system that you use, in addition to being able to present past information, can also present future information/predictions	21	43	35	13	2	410	71.9%	High
12	So far, the information generated by the accounting information system can present concise information but the content includes complete information.	22	48	34	8	2	422	74.0%	High
Accounting Information Quality							5039	73.7%	High

Source: Research Data, 2022

10 The table above illustrates respondents' responses regarding the Quality of Accounting Information. Based on the processing results shown in the table, it can be seen that the Accounting Information Quality score is 5039 with a percentage of 73.7%. This includes a high rating in the category.

#### 4 Inferential Analysis

The analysis used in this study is called simple linear regression. This

method is used to look for the effect of different things on the thing that is being studied - in this case, the effect of independent variables on the dependent.

By using the simple linear regression analysis method, we can see how important accounting information system quality (X) is in terms of accounting information quality (Y). The equation (simple linear regression) predicts how one variable (in this case, the

dependent variable) changes when another (the independent variable) is changed.

$$Y = a + bX + e$$

Whereas :

Y = Quality of Accounting Information

X = Quality of Accounting Information

System

a = Constant

b = Regression Coefficient

e = error model

The results of the regression analysis are shown in the table:

**Table 13. Simple Regression Analysis Results**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.		
					B	Std. Error
1	(Constant)	0.258	0.169		1.528	0.129
	Accounting Information System Quality	0.928	0.045	0.891	20.725	0.000

a. Dependent Variable: Accounting Information Quality

Based on the data in the table, a linear relationship can be determined between the two variables, as follows:

$$Y = 0.258 + 0.928 X + e$$

It mean, if we add one unit of the independent variable to the equation, and all the other variables are unchanged, then the dependent variable will change by the same amount. If the independent variable has a positive regression coefficient, the dependent variable will go up; if the independent variable has a negative regression coefficient, the dependent variable will go down.

The regression coefficient of the independent variable indicates how strongly the relationship between the accounting information quality measure and the accounting information system is related. The regression coefficient for the independent variable X is positive, indicating a unidirectional relationship between accounting information system quality and accounting information quality. This means that for every increase in accounting information system quality by one unit, it will cause an increase in accounting information quality by 0.928 units.

#### **Hypothesis Test of the Effect of Accounting Information System Quality**

#### **on Accounting Information Quality in MSMEs**

The relationship between the quality of the accounting information system and the quality of accounting information is positive- meaning that as the quality of the accounting information system improves, the quality of accounting information also improves.

If the difference between the t-test results and the table values is greater than the table value, then we can say that the hypothesis is probably true. This means that the information in  $H_a$  is accepted, or there is an influence on the results. If  $t_{count} < t_{table}$  then  $H_0$  is in the acceptance area, meaning  $H_a$  is rejected or there is no effect.

#### **Hypothesis**

$H_0$  : There is no significant effect of the Quality of Accounting Information System on the Quality of Accounting Information

$H_a$  : There is a significant effect of the Quality of Accounting Information System on the Quality of Accounting Information

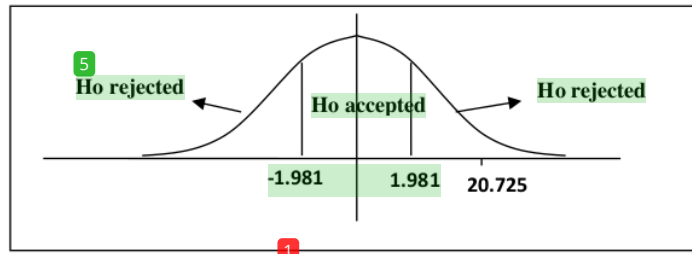


Figure 2. Hypothesis Test of Quality of Accounting Information System on the Quality of Accounting Information

5 The regression analysis found that the t-count is 20.725 and the degree of freedom (n-k-1) or  $114-1-1 = 112$ . This means that the t-count is greater than the t-table number, which means that there is a significant influence between accounting information system quality and accounting information quality.

It is accepted that there is an influence between quality of accounting information systems and quality of accounting information.

### Correlation between Quality of Accounting Information Systems and Quality of Accounting Information in MSMEs

The correlation between Quality of Accounting Information Systems (X) and Quality of Accounting Information (Y) in micro, small and medium enterprises was analyzed using Pearson's product moment correlation test. The results of the correlation analysis show that there is a strong relationship between the two variables as shown below.

Table 14. Correlation between Accounting Information System Quality and Accounting Information Quality

Correlations			
		Quality of Accounting Information System	Quality of Accounting Information
Quality of Accounting Information System	Pearson Correlation	1	.891**
	Sig. (2-tailed)		.000
	N	114	114
Quality of Accounting Information	Pearson Correlation	.891**	1
	Sig. (2-tailed)	.000	
	N	114	114

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Data Processing Results, 2022

11 The correlation coefficient between the quality of the accounting information system and the quality of accounting information is very high (0.891). This figure shows that there is a correlation with a very strong category. This categorisation is based on the classification

of Pearson product moment correlation categories. There is a strong connection between accounting system quality and accounting system quality (significance value of less than 0.05).



**Coefficient of Determination Accounting Information Systems Quality on Accounting Information Quality in MSMEs**

The coefficient of determination is used to calculate how much influence

quality of accounting information systems (X) has on quality of accounting information (Y) in micro, small, and medium-sized businesses. A test is then carried out to see how much impact X has.

**Table 15. Determination Coefficient**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 <sup>a</sup>	.793	.791	.36566
a. Predictors: (Constant), Quality of Accounting Information System				

Source: Data Processing Results, 2022

The coefficient of determination (R<sup>2</sup>) suggests that 79.3% of the variation in quality of accounting information can be explained by the quality of the accounting information system. However, other factors have a significant impact on quality of accounting information too - 20.7% of the variation is unaccounted for by this study.

**CONCLUSION**

Based on the information/analysis and discussion, it seems that the quality of an accounting information system can affect the quality of accounting information. Companies in the MSME category can take into account the significance of the quality of information systems that are integrated, flexible, easily accessible, in accordance with established formats, and communication media channels. The existence of the quality of accounting information system will create quality of accounting information which is able to provide benefits to management in making the right decisions. The indicator that has the strongest effect on Quality of Accounting Information System is that the accounting information system has followed the applicable regulations or procedures, namely the Formalisation dimension. This indicates that a quality information system is supported by rules or procedures that are clear and truly implemented. The indicator that has the strongest effect on Accounting

Information Quality is that accounting information is always available exactly when needed, namely in the Timeliness dimension. This indicates that quality accounting information, one of which is the most decisive, is available when needed by management in relation to decision making.

**ACKNOWLEDGEMENT**

Based on the limitations of this reseach, hopefully, future research can use the companies listed on the Indonesia Stock Exchange as a sample, use other variables, such as information technology, corporate culture, environmental uncertainty, company business processes, and use a longer period of time, for example five years.

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